



# **MARINDUQUE ELECTRIC COOPERATIVE, INC.**

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

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**COMPETITIVE SELECTION PROCESS (CSP)  
BY MARINDUQUE ELECTRIC COOPERATIVE, INC. (MARELCO)  
FOR ITS NEW POWER PROVIDER**

**SUPPLEMENTAL BID BULLETIN NO. 01**

March 10, 2020

To All Participating Bidders:

This Supplemental Bid Bulletin is being issued to answer all the legitimate issues, concerns and suggestions arising from the Revised Instruction to Bidders dated November 30, 2019, Bid Bulletin No. 2019-007.

For your information and reference.

Thank you very much.

**(Sgd) ENGR. MATTHEW L. PRINCIPE**

Chairman, TPBAC

**Competitive Selection Process (CSP) for a New Power Provider (NPP)  
 of MARELCO to Supply Power through Long-Term (2022-2036)  
 Power Supply Agreement**

**SUPPLEMENTAL BID BULLETIN NO. 01  
 (for BULLETIN NO. 2019-007)**

This Supplemental/Bid Bulletin is issued to all prospective bidders to clarify, modify and/or amend items in the Bidding Documents as discussed and agreed during the Pre-bid Conference held on December 18, 2019 and in response to the queries received from the prospective bidders. This shall form an integral part of the Bidding Documents.

Section	Old Provisions	Added/Amended Provisions
<b>ITB 1.1</b>	The Marinduque Electric Cooperative, Inc. (MARELCO), through its Third Party Bids and Awards Committee (TPBAC), is conducting a Competitive Selection Process (CSP) for its New Power Provider (NPP) to supply power with Guaranteed Delivered Capacity of 16 MW for the years 2022-2037 through long-term Power Supply Agreement.	The Marinduque Electric Cooperative, Inc. (MARELCO), through its Third-Party Bids and Awards Committee (TPBAC), is conducting a Competitive Selection Process (CSP) for its New Power Provider (NPP) to supply power with Guaranteed Delivered Capacity of 16 MW for the years <b>2022-2036</b> through long-term Power Supply Agreement.
<b>ITB 1.3</b>	XXXX The RPS shall be complied with by constructing and operating at least one (1) renewable energy power plant XXXX	XXXX The RPS shall be complied with by constructing and operating at least one (1) renewable energy power plant <b>either by the NPP and/or RE Subcontractor/s</b> XXXX
<b>ITB 3</b>		<b>Base Price</b> –refers to the total bid price based on September 2019 reference market prices submitted by the Bidder as financial proposal comprising fixed costs for capital recovery and fixed O&M and variable costs for variable O&M and fuel. It is the NPP’s TCGR for the month of September 2019 which shall be reflected in the PSA and which shall indexed in the future using indexation factors specified in the TOR and in this ITB.
<b>ITB 3</b>	<b>Bid</b> – XXXX (Legal Requirements, Technical Requirements, Financial Requirements, and Class “B” Documents), XXXX	<b>Bid – XXXX (Legal Documents , Technical Documents, Financial Documents, and Class “B” Documents), XXXX</b>
<b>ITB 3</b>	<b>Bidder</b> - refers to an eligible power supplier competing for the award of the Power Supply Agreement. A power supplier is said to be eligible if it meets all the eligibility requirements issued by the TPBAC and has paid Bid participation fees (i.e., “purchased Bidding Documents”).	<b>Bidder</b> - refers to an <b>entity</b> competing for the award of the Power Supply Agreement <b>who paid the Bid participation fees (“purchased Bidding Documents”) and submitted a Bid on or before the scheduled Bid Submission.</b>

ITB 3	<b>Bid Proposal</b> - refer to the technical proposals and financial proposals of the Bidders collectively.	<b>Bid Proposal</b> - refer to the Technical Proposal and Financial Proposal, <b>collectively, of the Bidder.</b>
ITB 3	<b>Capacity Utilization Factor</b> – XXXX measured by the energy consumption of MARELCO drawn from the power supply of NPP expressed in percent of the total energy that could have been supplied if the Guaranteed Generating Capacity was fully utilized for the total number of hours of the billing month.	<b>Capacity Utilization Factor (CUF)</b> – XXXX measured by the energy consumption of MARELCO drawn from the power supply of NPP expressed <b>as a</b> percentage of the total energy that could have been supplied if the <b>Guaranteed Delivered Capacity</b> was fully utilized for the total number of hours of the billing month <b>in accordance with Section 16.3.</b>
ITB 3	<b>Conditions Precedent</b> – refers to the requirements and conditions that must have been satisfied to achieve the Effective Date.	<b>Conditions Precedent</b> – refers to the requirements and conditions that must have been satisfied to achieve the Effective Date <b>including, but not limited to, final approval of PSA by the ERC and power plant site/s land conversion requirements.</b>
ITB 3	<b>Confidentiality Agreement</b> - refers to an agreement through which the parties agree not to disclose information relating to the submissions of Bidders and the EC Information for Due Diligence provided to the Bidders. This applies to the members of the MARELCO BOD, TPBAC, TPBAC-TWG, Management, and Consultants/Advisors as well as and the Bidders.	<b>Confidentiality Agreement</b> -refers to an agreement through which the parties agree not to disclose information relating to the submissions of Bidders and the EC Information for Due Diligence provided to the Bidders. This applies to the members of the MARELCO BOD, TPBAC, TPBAC-TWG, management, and consultants/advisors as well as the Bidders <b>and their owners, management, employees and consultants/advisors.</b>
ITB 3	<b>Connection Point</b> – refers to the location prescribed by MARELCO where the NPP Guaranteed Generation Capacity and generation shall be supplied and measured. It also refers to the location of the circuit breaker to be controlled by the System Operator to operationally connect and disconnect the power facilities of the NPP in accordance with the Philippine Distribution Code.	<b>Connection Point</b> –refers to the location prescribed by MARELCO where the NPP <b>Guaranteed Delivered Capacity</b> and generation shall be supplied and measured. It also refers to the location of the circuit breaker <b>(switchgear)</b> to be controlled by the System Operator to operationally connect and disconnect the power facilities of the NPP in accordance with the Philippine Distribution Code.
ITB 3		<b>ERC Notification Date</b> - refers to the date of ERC publication in its website or the date that the NPP and/or MARELCO received the notification of ERC’s final approval of the PSA whichever comes first.
ITB 3	<b>Fixed Operation &amp; Maintenance Rate (FOMR)</b> – or Fixed Cost 2 (FC2) refers to the fixed costs component of the price which do not vary with changes in energy generation or supply.	<b>Fixed Operation &amp; Maintenance Rate (FOMR)</b> –or Fixed Cost 2 (FC2) refers to the <b>fixed operation and maintenance costs</b> component of the price which do not vary with changes in energy generation or supply.
ITB 3	<b>Fuel Rate (FR)</b> – or Variable Cost 2 (VC2) refers to the cost of fuel, including transport.	<b>Fuel Rate (FR)</b> – or Variable Cost 2 (VC2) refers to the <b>variable cost component of the price for the fuel of the power plant including taxes, other government dues, and transport from fuel supplier site and the power plant site/s.</b>

<b>ITB 3</b>	<b>Generation Company (GENCO)</b> refers to a person or an entity authorized by the ERC to operate a facility XXXX	<b>Generation Company (GENCO)-</b> refers to a <b>judicial</b> entity authorized by the ERC to operate a facility XXXX
<b>ITB 3</b>	<b>Information Memorandum</b> - refers to the document issued by MARELCO that describe the Transaction and provide relevant information about the CSP for NPP to be conducted by MARELCO.	<b>Information Memorandum</b> - refers to the document issued by MARELCO that describes this Transaction and provides relevant information <b>to prospective Bidders</b> about the CSP to be conducted by MARELCO.
<b>ITB 3</b>	<b>Scheduled Outage</b> – refers to the outage of the plant generating units and equipment planned by the NPP for preventive maintenance as approved by the System Operator prior to the Operating Year in accordance with the PSA.	<b>Scheduled Outage Hours</b> - the number of hours that the Guaranteed Delivered Capacity is not available totally or partially due to the Scheduled Outage of the NPP’s power plant.
<b>ITB 3</b>	<b>Transaction</b> - refers to the MARELCO 2019 Competitive Selection Process (CSP) for New Power Provider to supply power to MARELCO for the Contract Period from 2022 to 2037.	<b>Transaction</b> - refers to the 2019 Competitive Selection Process for New Power Provider of MARELCO to supply power <b>in Marinduque through long-term (2022 to 2036) Power Supply Agreement.</b>
<b>ITB 3</b>	<b>True Cost Generation Rate (TCGR)</b> – refers to the total price approved by the ERC comprising CRR, FOMR, VOMR, and FR to cover the total cost of the NPP for the development, construction, operation and maintenance of the power plant(s).	<b>True Cost Generation Rate(TCGR)</b> – refers to the total price approved by the ERC comprising CRR, FOMR, VOMR, and FR to cover the total cost of the NPP for the development, construction, operation and maintenance of the power plant(s) <b>and generation and supply of electricity to MARELCO.</b>
<b>ITB 3</b>	<b>Variable Operation and Maintenance Rate (VOM)</b> – or Variable Cost 1 (VC1) refers to the operation and maintenance costs component of the price which vary with the amount of energy generated or supplied.	<b>Variable Operation and Maintenance Rate (VOMR)</b> – or Variable Cost 1 (VC1) refers to the operation and maintenance costs component of the price, <b>excluding fuel</b> , which vary with the amount of energy generated or supplied <b>by the NPP to MARELCO.</b>
<b>ITB 4.1</b>		<b>See Table 3 Transaction Schedule</b> of Final ITB
<b>ITB 6.1</b>	XXXX Such request must be in writing and submitted to MARELCO TPBAC at least fifteen (15) calendar days before the Deadline of Submission of Bids	XXXX Such request must be in writing and submitted to MARELCO TPBAC at least <b>twenty (20)</b> calendar days before the Deadline of Submission of Bids
<b>ITB 6.2</b>	XXXX The last Bid Bulletin shall be issued by TPBAC at least seven (7) calendar days before the Deadline of Submission of Bids.	XXXX The last Bid Bulletin shall be issued by TPBAC at least <b>fifteen (15)</b> calendar days before the Deadline of Submission of Bids.
<b>ITB 8.1</b>	(d) Joint Ventures and Consortiums to be duly organized under the laws of the Philippines, provided they have submitted duly notarized agreements to enter into Joint Venture Agreement, backed by Board Resolutions of parties’ mother companies guaranteeing full support to the JV/Consortium and clearly stating the level of participation of partners/parties in case they win the bidding and formalize the JV or a Project Company.	(d) Joint Ventures and Consortiums to be duly organized under the laws of the Philippines, provided they have submitted duly notarized <b>Joint Venture or Consortium Agreement</b> , backed by Board Resolutions of parties’ mother companies guaranteeing full support to the JV/Consortium and clearly stating <b>JV/Consortium or a Project Company</b> and the level of participation of partners/parties. <b>The JV or Consortium Agreement shall also indicate that their rights and obligations, including liabilities in this Bidding and the resulting PSA are solidary</b>

<p><b>ITB 8.4</b></p>	<p>The Bidder must have a generation portfolio of an aggregated total plant capacity of 10 MW regardless of technology and has been in the business of power generation in the last five (5) years, provided that in the case of renewable energy, the Bidder or its RE subcontractor shall have been in the RE power generation business for a minimum of two (2) years. Furthermore, the power generation business track record of the Bidder or its RE subcontractor shall be of the same RE technology offered in this Transaction.</p>	<p>The Bidder must have a generation portfolio of an aggregated total plant capacity of 10 MW regardless of technology <b>at the time of submission of Bid and has track record in power plant operation of the same technology that it offered to build, operate and maintain to supply power to MARELCO as contained in the Bidder’s Technical Proposal. For fossil-based power plants (e.g., diesel power plants), the Bidder is required to have at least five (5) years operating experience in the last ten (10) years. In the case of renewable energy plants, the Bidder and/or its RE subcontractor (for RPS) shall have at least two (2) years of experience in RE power plant operation of the same RE technology offered in this Transaction. Operational experience for RE or non-RE power plant may be in the Philippines or any other country.</b></p>
<p><b>ITB 8.5</b></p>	<p>For the purpose of confirmation, the Bidder must provide copies of its Certificates of Compliance (COCs) issued by ERC as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submitted to ERC for the last five (5) years. In case of renewable energy providers, minimum of two years of the above certificates and reports shall be allowed.</p>	<p>For the purpose of confirmation, the Bidder must provide copies of its Certificates of Compliance (COCs) issued by ERC as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submitted to ERC. <b>In case of renewable energy providers, minimum of two years of the above certificates and reports shall be allowed. Where the power plant operation experience is not covered by COCs and GCMRs of ERC, the Bidder shall provide a certification from third parties such as contracted customer/s (e.g., NPC-SPUG) and the operational reports received or recorded by the customer/s.</b></p>
<p><b>ITB 8.6</b></p>	<p>The Bidder must have a Net Worth of at least Four Hundred Million Pesos (PhP400,000,000.00). The value of the Bidder’s Net Worth shall be based on the latest Audited Financial Statements (AFS) submitted to the Bureau of Internal Revenue (BIR) for the last two (2) years.</p>	<p>The Bidder must have a Unrestricted Net Worth of at least Four Hundred Million Pesos (PhP400,000,000.00) or 30% of the Project Cost (i.e., the total investment requirements for the 3 power plants including the RE plant for RPS and interconnection costs), whichever is lower. The value of the Bidder’s Unrestricted Net Worth shall be based on the latest Audited Financial Statements (AFS) submitted to the Bureau of Internal Revenue (BIR) for the last two (2) years. “Unrestricted Net Worth” refers to the sum of subscribed and paid up equity, including additional paid-in capital, and unrestricted retained earnings, preferred shares, perpetual shares less treasury shares of common, preferred, and perpetual shares. Unrestricted retained earnings means the amount of accumulated</p>

		profits and gains realized out of the normal and continuous operations of the company after deducting there from distributions to stockholders and transfers to capital stock or other counts, and which is: (i) not appropriated by the Board of Directors for corporate expansion projects or programs; (ii) not covered by a restriction for dividend declaration under a loan agreement; (iii) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies (as defined in SEC Memorandum Circular No. 11-08 dated December 5, 2008); and (iv) not otherwise covered by any other legal restriction on the ability of the company to distribute or otherwise apply its equity.
<b>ITB 8.7</b>		In case of JV or Consortium, the qualification of the Bidder may be obtained by pooling the qualification of each member of the JV or Consortium. Provided that the member of the JV or Consortium with the longest track record shall be taken as the track record of the Bidder (i.e., the number of operating years of each member shall not be added).
<b>ITB 9.1</b>	(i) Ensuring that it did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of MARELCO and MARELCO TPBAC.	(i) Ensuring that it did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of MARELCO, MARELCO TPBAC and <b>CSP Advisors.</b>
<b>ITB 9.7</b>		The Bidder, by the act of submitting its Bid, shall be deemed to have accepted and will abide to all procedures, requirements, rules and regulations issued by the TPAC through the Bidding Documents.
<b>ITB 10.1</b>	Section 10.2	Section 10.2 of the previous provision will be renamed as Section 10.1
<b>ITB 10.2</b>	10.1 The Bidder, by the act of submitting its Bid, shall be deemed to have done due diligence on the subject of this Transaction. The Bidders may conduct due diligence until December 27, 2019.	The Bidders may conduct due diligence until <b>March 20, 2020.</b>
<b>ITB 10.6</b>		The Bidder, by the act of submitting its Bid, shall be deemed to have done due diligence on the subject of this Transaction.
<b>ITB 11.1</b>		The Bidder or any member of the Partnership, JV or Consortium must have no record of Unsatisfactory Performance as Generator or Power Plant Operator. For this purpose, "Unsatisfactory Performance" means any of the following within five (5) years prior to the Deadline of Bid Submission:



		<p>(a) the failure by the Bidder to satisfactorily perform any of its material obligations in a power plant project, power plant operation contract, or power supply contract as evidenced by the imposition of a judicial pronouncement or arbitration award;</p> <p>(b) the expulsion of the Bidder from any power plant project, power plant operation contract, or power supply contract;</p> <p>(c) the termination or suspension of any such project, operation or contract; or</p> <p>(d) material violation of laws and/or regulations by the Bidder to any power plant projects or contracts, including but not limited to environmental, health, safety, labor and social welfare laws and regulations, as evidenced by the findings of the relevant competent authority.</p>
<b>ITB 11.2</b>		The Bidder or any member of the Partnership, JV or Consortium must not be included in a blacklist issued by any governmental agency of the Philippines or in the Debarred and Cross-Debarred Firms & Individuals list posted in the World Bank website ( <a href="http://www.worldbank.org/debar">www.worldbank.org/debar</a> ), whether as an individual contractor, partnership or corporation or as a member of a joint venture or consortium.
<b>ITB 11.3</b>	Section 11.1	Section 11.1 of the previous provision will be renamed as Section 11.3
<b>ITB 13.2</b>	All Bidding Documents shall be accompanied by a sworn affidavit of the Bidder's officers, directors, and controlling stockholders that they are not related to XXXX	<b>The Bid shall</b> be accompanied by a sworn affidavit of the Bidder's officers, directors, and controlling stockholders that they are not related to XXXX
<b>ITB 14.2.2</b>	(a) Company profile highlighting experiences and expertise of the company and/or key officers in power plant operation	(a) Company profile highlighting experiences and expertise of the company <b>and</b> key officers in power plant operation
<b>ITB 14.2.2</b>	<p>(c) Statement, in matrix form, of customers with whom the Bidder have power supply contract. The statement shall include, for each customer, the following:</p> <ul style="list-style-type: none"> <li>i. Name and address of company</li> <li>ii. Telephone, cellphone and fax numbers, website URL, and e-mail address of the company</li> <li>iii. Name and position of authorized contact person(s)</li> <li>iv. Telephone and cellphone number and e-mail address of contact person(s)</li> </ul>	<p>(c) Matrix of Bidder's customers with whom the Bidder have power plant operation, rental or supply contracts. The statement shall include, for each customer, the following:</p> <ul style="list-style-type: none"> <li>i. Name and address of company</li> <li>ii. Telephone, cellphone and fax numbers, website URL, and e-mail address of the company</li> <li>iii. Name and position of authorized contact person(s)</li> <li>iv. Telephone and cellphone number and e-mail address of contact person(s)</li> <li>v. <b>Number and average duration of scheduled and unscheduled outages for the last five (5) years or the actual outage data for new power</b></li> </ul>

		<p><b>plants operating for less than five years supported by a certification issued by the System Operator or client distribution utility.</b></p>
<p><b>ITB 14.2.2</b></p>		<p>(d) Copy of Certificate of Compliance issued by ERC or Service Contracts from the DOE as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submissions to ERC for the last five (5) years and the last 2 years in the case of RE. For Bidders where the power plant operation experience is not covered by COCs and GCMRs of ERC, a certification from third parties such as contracted customer/s (e.g., NPC-SPUG) and the operational reports received or recorded by the customer/s shall be submitted.</p>
<p><b>ITB 14.2.3</b></p>		<p>(b) Calculation sheet of the Unrestricted Net Worth of the Bidder certified by the Finance Manager or Officer of the Bidder.</p>
<p><b>ITB 15.7</b></p>	<p>(j) The successful Bidder fails to sign the PSA</p>	<p>(j) The <b>Winning</b> Bidder fails to sign the PSA</p>
<p><b>ITB 16.3</b></p>	<p>MARELCO shall enter into PSA with the NPP with the following price structure:</p> $Fees_{month}^{TOTAL} = [FC1_{month}^{local} + FC2_{month}^{local} + FC2_{month}^{foreign} + VC1_{month}^{local} + VC1_{month}^{foreign} + VC2_{month}^{local} + VC2_{month}^{foreign}] * Q$ <p>Where,  <math>Fees_{month}^{TOTAL}</math> = Total charges for a billing month in PHP  <i>Q</i> = Quantity in kWh delivered by the NPP  <i>FC1, FC2, VC1, and VC2</i> are the local and foreign components of the price. The superscript distinguishes local from foreign components, while the subscripts denote the value of that price for the billing month.                  XXXXX</p>	<p>MARELCO shall enter into PSA with the NPP with the following price structure:</p> $Fees_{month}^{TOTAL} = \sum_{Plant, Tech} Fees_{month}^{Plant, Tech}$ $Fees_{month}^{Plant, Tech} = [FC1_{month}^{local} + FC2_{month}^{local} + FC2_{month}^{foreign} * FOREX_{month} + VC1_{month}^{local} + VC1_{month}^{foreign} * FOREX_{month} + VC2_{month}^{local} + VC2_{month}^{foreign} * FOREX_{month}] * Q_{month}^{Plant, Tech} * (1 + VAT^{Plant, Tech})$ <p>Where,  <math>Fees_{month}^{TOTAL}</math> = Total charges for a billing month in PHP  <math>Fees_{month}^{Plant, Tech}</math> = Total charges for a billing month for applicable power plant technology (Solar, Hydro, Biomass, Peaking Diesel, LNG, Bunker C) in PHP  <math>Q_{month}^{Plant}</math> = Quantity in kWh delivered by the NPP power  <math>VAT^{Plant, Tech}</math> = applicable Value                  – Added Tax for specific plant technology  <i>FC1, FC2, VC1, and VC2</i> are the local and</p>



		<p>foreign components of the price. The superscript distinguishes local (PHP/kWh) from foreign (USD/kWh) components, while the subscripts denote the value of that price for the billing month. The value of the price components per billing month shall follow the following format:</p> $Price_{month}^{Plant} = k * Price_{Bid}^{Plant} * \frac{Index_{month}}{Index_{Sept 2019}} + (1 - k) * Price_{Bid}^{Plant}$ <p>where:</p> <p><math>Price_{month}^{Plant}</math> is the value of the price component (FC1, FC2, VC1, or VC2) for the billing month for the specified Plant</p> <p><math>Price_{Bid}^{Plant}</math> is the value of the price component (FC1, FC2, VC1, or VC2) for specified Plant as Bid in the Financial Proposal</p> <p><math>k</math> is the indexation parameter in percent (effective value between 0 to 1) for each price component (FC1, FC2, VC1, or VC2) for specified Plant as Bid in the Financial Proposal</p> <p><math>Index_{month}</math> is the value of the applicable indexation reference (PHCPI, USCPI, FUEL</p>
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		<p><i>INDEX) for each price component (FC1, FC2, VC1, or VC2) corresponding to the billing month</i></p> <p><i>Index<sub>Sept 2019</sub> is the base value of the applicable indexation reference (PHCPI, USCPI, FUEL INDEX) for each price component (FC1, FC2, VC1, or VC2) for the reference month of September 2019</i></p> <p><i>FOREX<sub>month</sub> is the average USD to PHP foreign exchange rate (in PHP/USD) for the corresponding billing month referenced from the Bangko Sentral ng Pilipinas website <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a>.</i></p>
<p><b>ITB 21.1</b></p>	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Name of Bidder Address of Bidder</p> <p>The THIRD-PARTY BIDS AND AWARDS COMMITTEE (TPBAC) Marinduque Electric Cooperative, Inc. (MARELCO)</p> <p><b>“BID FOR A NEW POWER PROVIDER (NPP) OF MARELCO TO SUPPLY POWER THROUGH LONG-TERM (2022-2037) POWER SUPPLY AGREEMENT”</b></p> <p>MARELCO Head Office, Ihatub, Boac, Marinduque</p> <p><b>WARNING: DO NOT OPEN BEFORE 1:00PM OF JANUARY 14, 2020</b></p> </div>	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Name of Bidder Address of Bidder</p> <p>The THIRD-PARTY BIDS AND AWARDS COMMITTEE (TPBAC) Marinduque Electric Cooperative, Inc. (MARELCO)</p> <p><b>“BID FOR A NEW POWER PROVIDER (NPP) OF MARELCO TO SUPPLY POWER THROUGH LONG-TERM (2022-2036) POWER SUPPLY AGREEMENT”</b></p> <p>MARELCO Head Office, Ihatub, Boac, Marinduque</p> <p><b>WARNING: DO NOT OPEN BEFORE 10:00AM OF APRIL 17, 2020</b></p> </div>
<p><b>ITB 22.1</b></p>	<p>Bids must be received by MARELCO TPBAC on or before 12:00 PM (Philippine Standard Time) of January 14, 2020 at the MARELCO Center for Interactive Learning Center (MCIL) XXXX</p>	<p>Bids must be received by MARELCO TPBAC on or before <b>09:00 AM (Philippine Standard Time) of April 17, 2020</b> at the MARELCO Center for Interactive Learning Center (MCIL) XXXX</p>
<p><b>ITB 23.1</b></p>	<p>The Bidder may modify its Bid after it has been submitted, provided that the modification is received by MARELCO TPBAC prior to 12:00 PM of</p>	<p>The Bidder may modify its Bid after it has been submitted, provided that the modification is received by MARELCO TPBAC prior to <b>9:00 AM</b> of</p>

	deadline of submission of bids. XXXX Bid modifications received after 12:00 PM of deadline of submission of bids shall not be considered and shall be returned to the concerned Bidders unopened.	deadline of submission of bids. XXXX. Bid modifications received after <b>9:00 AM</b> of deadline of submission of bids shall not be considered and shall be returned to the concerned Bidders unopened.
<b>ITB 23.2</b>	A Bidder may, through a Letter of Withdrawal, withdraw its Bid after it has been submitted for valid and justifiable reasons, provided that the Letter of Withdrawal is received by MARELCO TPBAC prior to 12:00 PM of deadline of submission of bids. XXXX	A Bidder may, through a Letter of Withdrawal, withdraw its Bid after it has been submitted for valid and justifiable reasons, provided that the Letter of Withdrawal is received by MARELCO TPBAC prior to <b>9:00 AM</b> of deadline of submission of bids. XXXX
<b>ITB 23.4</b>	A Bidder who has acquired the Bidding Documents may also express its intention not to participate in the CSP through a letter which should reach and be stamped by MARELCO TPBAC before 12:00 PM of deadline of submission of bids. XXXX	A Bidder who has acquired the Bidding Documents may also express its intention not to participate in the CSP through a letter which should reach and be stamped by MARELCO TPBAC before <b>9:00 AM</b> of deadline of submission of bids. XXXX
<b>ITB 23.5</b>	No Bid may be modified after 12:00 PM of deadline of submission of bids. No Bid may be withdrawn in the interval between 12:00 PM of deadline of submission of bids XXXX	No Bid may be modified after <b>9:00AM</b> of deadline of submission of bids. No Bid may be withdrawn in the interval between <b>9:00 AM</b> of deadline of submission of bids XXXX
<b>ITB 24.1</b>	MARELCO TPBAC shall open the Bids in public at 1:00 PM of January 14, 2020 at the MARELCO Center for Interactive Learning, Ihatub, Boac, Marinduque. XXXX	MARELCO TPBAC shall open the Bids in public at <b>10:00 AM of April 17, 2020</b> at the MARELCO Center for Interactive Learning, Ihatub, Boac, Marinduque. XXXX
<b>ITB 26.2</b>	Before the evaluation of bid price, the Bid shall be examined for compliance with the following requirements: <ul style="list-style-type: none"> <li>a) Guaranteed Delivered Capacity at each power plant location;</li> <li>b) RPS minimum annual energy requirement for 2022-2023; and</li> <li>c) Base Price offered is equal or lower than NPC TCGR.</li> </ul>	Before the evaluation of bid price, the Bid shall be examined for compliance with the following requirements: <ul style="list-style-type: none"> <li>a) Guaranteed Delivered Capacity at each power plant location;</li> <li>b) RPS minimum annual energy requirement for <b>2022-2024</b>; and</li> <li>c) Base Price offered is equal or lower than NPC TCGR.</li> </ul>
<b>ITB 26.5</b>	The expected energy generation by RE that shall meet the minimum RPS energy requirement in 2022-2024 will be calculated as follows:  XXXX For 2025-2037, the RPS energy required from NPP shall be equal to the RPS requirement in 2024.  Where,  $RPS_{Energy_{year}} = \text{total energy supply available for RPS from all existing RE plants for the year}$  $Energy_{year}^{RE} = \text{total energy from newly installed RE plants for the year}$	The expected energy generation by RE that shall meet the minimum RPS energy requirement in 2022-2024 will be calculated as follows:  XXXX For <b>2025-2036</b> , the RPS energy required from NPP shall be equal to the RPS requirement in 2024.  where, $Capacity_{year}^{RE} = DependableCapacity_{year}^{RE} * Ng - (OwnUse + LineLosses)$  $DependableCapacity_{year}^{RE} = RatedCapacity * AdjFactor$

	XXXX	<p><math>RPEnergy_{year}</math> = total <b>cumulative</b> energy supply available for RPS from all existing RE plants <b>from 2022 to current year</b></p> <p><math>Energy_{year}^{RE}</math> = total energy <b>available</b> from newly installed RE plants for the year</p> <p>XXXX</p>
<b>ITB 27.6</b>	Table 10: Monthly Peak and Energy Dispatch	<p>Table 10: Monthly Peak and Energy Dispatch</p> <p>( The year duration 2024-2037 in previous provision will be replaced with 2024-36 in the amended provision)</p>
<b>ITB 27.8</b>	<p><b>Peaking Diesel Dispatch. XXXX</b></p> $Energy_{month}^{Peaking} = Demand_{month}^{Peaking} * CapacityFactor^{Peaking} * HR_{month}$ <p>where,</p> $Energy_{month}^{Peaking} = dispatchofaPeakingDieselPlantinamonth$ <p><math>Demand_{month}^{Peaking}</math> = PeakingDemand of the month equal to 20% of the monthly peak demand provided in Table 9</p> <p>XXXX</p>	<p><b>Peaking Diesel Dispatch. XXXX</b></p> $Energy_{month}^{Peaking} = Demand_{month}^{Peaking} * CapacityFactor^{Peaking} * HR_{month}$ <p>where,</p> $Energy_{month}^{Peaking} = dispatchofaPeakingDieselPlantinamonth$ <p><math>Demand_{month}^{Peaking}</math> = PeakingDemand of the month equal to 20% of the monthly peak demand provided in <b>Table 10</b></p> $Demand_{month}^{Peaking} = 20\% * Demand_{month}^{Peak}$ <p>XXXX</p>
<b>ITB 27.15</b>	<p><b>Discounted Adjusted Generation Cost.</b> The adjusted annual generation costs (due to Allowed Outage) from 2022 to 2037 shall be added together..XXXX</p> $PWGenCost_{2021} = \sum_{2022}^{2037} \frac{GenCost_{year}^{ADJ}}{(1 + PHCPI)^{year-2021}}$	<p><b>Discounted Adjusted Generation Cost.</b> The adjusted annual generation costs (due to Allowed Outage) from <b>2022 to 2036</b> shall be added together XXXX</p> $PWGenCost_{2021} = \sum_{2022}^{2036} \frac{GenCost_{year}^{ADJ}}{(1 + PHCPI)^{year-2021}}$
<b>ITB 15.7</b>	<p><b>Long-Term Levelized Price. XXXX</b></p> $LevelizedPrice = \frac{PWGenCost_{2021}}{\sum_{2022}^{2037} (Energy_{year}^{Annual})/n}$ <p>where</p> $AnnuityFactor = \frac{(1 + PHCPI)^n - 1}{PHCPI * (1 + PHCPI)^n}$ <p><math>n = 15</math> years</p>	<p><b>Long-Term Levelized Price. XXXX</b></p> $LevelizedPrice = \frac{PWGenCost_{2021}}{\sum_{2022}^{2036} (Energy_{year}^{Annual})/n}$ <p>where</p> $AnnuityFactor = \frac{(1 + PHCPI)^n - 1}{PHCPI * (1 + PHCPI)^n}$ <p><math>n = 15</math> years</p>
<b>TOR Annex</b>	(Title) For the Competitive Selection Process (CSP) for a	(Title) For the Competitive Selection Process (CSP) for a

<b>A</b>	New Power Provider (NPP) to Supply Power to Marinduque through Long-Term (2022-2037) Power Supply Agreement	New Power Provider (NPP) to Supply Power to Marinduque through Long-Term <b>(2022-2036)</b> Power Supply Agreement
<b>TOR 2.1.1</b>	The NPP of MARELCO shall construct power plants with Guaranteed Delivered Capacity of 16 MW to supply power in Marinduque from 2022 to 2037.	The NPP of MARELCO shall construct power plants with Guaranteed Delivered Capacity of 16 MW to supply power in Marinduque <b>for 15 years (from 2022 to 2036, subject to Conditions Precedent).</b>
<b>TOR 2.1.2</b>	The NPP's annual generation shall also meet MARELCO's annual RE Portfolio Standard (RPS) requirements under the Renewable Energy Act of 2008 (RE Law) from 2022 to 2024 as indicated in Table 1.	The NPP's annual generation shall also meet MARELCO's annual RE Portfolio Standard (RPS) requirements under the Renewable Energy Act of 2008 (RE Law) from 2022 to 2024 as indicated in Table 1. <b>For the rest of the contract term, the RPS power plant shall continue to supply MARELCO at least the level of RPS energy requirement in 2024, subject to the dispatch schedule to be prepared by the System Operator</b>
<b>TOR 2.1.3</b>	The RPS level in 2024 shall be part or component of the RPS compliance from 2025 to 2037. MARELCO will conduct another CSP before 2024 for new capacity to meet the peak demand and RPS requirement beyond 2024.	The RPS level in 2024 shall be part or component of the RPS compliance from 2025 to <b>2036</b> . MARELCO will conduct another CSP before 2024 for new capacity to meet the peak demand and RPS requirement beyond 2024.
<b>TOR 2.2.1</b>	MARELCO will sign a Power Supply Agreement (PSA) with the winning Bidder, herein referred to as NPP, for long-term power supply whose Commercial Operation Date (COD) shall be one (1) year or earlier after the Effective Date. The PSA shall be valid for fifteen (15) years.	MARELCO will sign a Power Supply Agreement (PSA) with the winning Bidder, herein referred to as NPP, for long-term power supply whose Commercial Operation Date (COD) shall be <b>eighteen (18) months or earlier after the Effective Date (i.e., after all Conditions Precedent are satisfied)</b> . The PSA shall be valid for fifteen (15) years.
<b>TOR 2.2.2</b>		If the COD is earlier than 18 months after Effective Date, the NPP shall notify MARELCO in writing its committed COD six months before the COD.
<b>TOR 3.1.4</b>	The generating units of the power plants shall have a maximum of 2.8 MW Rated Capacity. In the case of modular RE such as solar power plant, the modules shall be configured such that an equivalent generating unit with maximum Rated Capacity of 2.8 MW is achieved (e.g., 2x2.8MWp of solar arrays). The generating units in a power plant shall also have identical Rated Capacity and Make/Brand.	Different power plant technologies (e.g., bunker and diesel generating units) may be installed in one location. Generating units of the same technology shall have identical Make/Brand and Rated Capacity not exceeding 2.8 MW. In the case of modular RE such as solar power plant, the modules shall be configured such that an equivalent generating unit with maximum Rated Capacity of 2.8MW is achieved (e.g. 2x2.8MWp of solar arrays).
<b>TOR 3.1.6</b>	The NPP shall employ only brand-new generating units and equipment. The Name of the Supplier from which the generating units and other equipment will be sourced, the capacity of the generating units (in MW), the minimum stable loading or P-min (in MW) shall be indicated in the	The NPP shall employ only brand-new generating units and equipment. The Name of the Supplier from which the generating units and other equipment will be sourced, the capacity of the generating units (in MW), the minimum stable loading or P-min (in MW) shall be indicated in the

	Technical Proposal	Technical <b>and Financial</b> Proposal
<b>TOR 3.1.7</b>	The power plant(s) shall be capable of delivering the Guaranteed Delivered Capacity power at the Connection Point at 13.2 KV to 14.2 KV voltage as will be dispatched by the System Operator.	The power plant(s) shall be capable of delivering the <b>minimum required</b> Guaranteed Delivered Capacity at the Connection Point at 13.2 KV to 14.2 KV voltage as will be dispatched by the System Operator.
<b>TOR 3.1.8</b>	There shall be an isolation transformer between the generating units and the 13.2 KV interconnection lines. The impedance of the isolation transformer shall be sized to properly coordinate the protection system of the power plant and the distribution lines of MARELCO. XXXX	There shall be an isolation transformer between the generating units and the 13.2 KV interconnection lines. The impedance of the isolation transformer shall be sized to properly coordinate the protection system of the power plant and the distribution lines of MARELCO. <b>During the detailed engineering design of the power plant/s, XXXX</b>
<b>TOR 3.1.14</b>	The NPP shall provide SCADA for its plants with Remote Terminal Unit that will be linked to MARELCO's SCADA once it is in place.	The NPP shall provide SCADA for its plants with Remote Terminal Unit that will be linked to MARELCO's SCADA once it is in place. <b>The NPPs SCADA shall support fiber optic and radio communications, using at least DNP3 and IEC 60870-5-101/104 SCADA communications protocols.</b>
<b>TOR 3.1.15</b>	The NPP shall also install kWh meters and data loggers for all generating unit and the Revenue Metering Equipment at all Connection Points, and submit data as required by MARELCO for its data analytics system. <b>The Revenue Metering Equipment shall be Intelligent Electronic Device which shall be linked with MARELCO's automated metering system (to be installed in the future) and shall be capable of being remotely accessed.</b>	The NPP shall also install kWh meters and data loggers for all generating units and totalizer for the power plant and submit data as required by MARELCO for its data analytics system.
<b>TOR 3.2.1</b>		The existing power distribution system of MARELCO is shown in Figure 1. The interconnection scheme for the NPP's power plants is illustrated in Figure 2.
<b>TOR 3.2.2</b>	3.2.1 The delivery and metering point shall be at the following Connection Points:  a) Between Boac and Mogpog: 13.2 kV Bus at Janagdong Substation in Mogpog, Marinduque; b) Between Gasan and Buenavista: 13.2 kV Bus at Daykitin Substation (future) in Buenavista, Marinduque; and c) Between Sta Cruz and Torrijos: 13.2 kV Bus at Cagpo Substation in Torrijos, Marinduque	Section 3.2.1 of the previous provision will be renamed as Section 3.2.2  The delivery and metering point shall be at the following Connection Points and Sites:  <b>a) <u>Between Boac and Mogpog</u></b> 13.2 kV Bus at Bantad Substation in Mogpog, Marinduque (approx. coordinates: 13.455704°N, 121.848080°E); <b>b) <u>Between Gasan and Buenavista</u></b> 13.2 kV Bus at Daykitin Substation in Buenavista, Marinduque (approx. coordinates: 13.260786°N, 121.930950°E); and <b>c) <u>Between Sta Cruz and Torrijos</u></b>



		13.2 kV Bus at Cagpo Substation in Torrijos, Marinduque (approx. coordinates: 13.339604°N, 122.109273°E)
<b>TOR 3.2.3</b>	The interconnection of the NPP power plants shall be 13.2 KV double circuit.	The <b>Point-to-Point</b> Connection of the NPP power plants shall be 13.2 KV double-circuit <b>feeders</b> .
<b>TOR 3.2.4</b>	Amendment of Section 3.2.3 to Section 3.2.8	The NPP shall provide and install the interconnection switchgears at Bantad S/S, Daykitin S/S, and Cagpo S/S for the interconnection of the NPP power plants, NPC incomers, and MARELCO distribution feeders. The switchgears shall be equipped with isolating and earthing switches which can be controlled at the control panel and ready for integration to the MARELCO SCADA (future). Additional outdoor motorized isolating and earthing switches shall be installed at Cagpo S/S. The NPP shall also provide and install the storage battery and battery charger for the switchgears. The NPP shall determine whether battery and charger at Cagpo S/S is sufficient or not for the existing and new switchgears and shall provide separate battery and charger if found insufficient. All switchgears in the three locations shall be of the same make and model for maintenance and spare management.
<b>TOR 3.2.5</b>		MARELCO shall build a control house in the three (3) substations where the switchgears will be installed. The NPP shall be responsible in the installation of the indoor switchgears and outdoor isolating and earthing switches including feeder reconfiguration.
<b>TOR 3.2.6</b>		The NPP shall also install the Revenue Metering Equipment at all Connection Points. The Revenue Metering Equipment shall be Intelligent Electronic Device which shall be linked with MARELCO's automated metering system (to be installed in the future) and shall be capable of being remotely accessed.
<b>TOR 3.2.7</b>		The interconnection of the power plants shall comply with all the requirements for Embedded Generators and all requirements at the Connection Point prescribed by the latest edition of the Philippine Distribution Code.
<b>TOR 3.2.8</b>	3.2.5 The RE plant for RPS, if separate from the power plants at the prescribed three (3) locations, may be connected at the power plant or at the Connection Point which shall have separate metering equipment. The number of circuits for RE-RPS plant is at the discretion of the NPP.	The RE plant/s for RPS, if separate from the power plants at the prescribed three (3) locations, may be connected at the said power plants or at the Connection Point. There shall be separate metering equipment <b>for the RPS plant/s</b> . The number of circuits for RE-RPS plant is at the discretion of the NPP.

<p><b>TOR 3.2.9</b></p>	<p>3.2.7 The cost of installation, operation and maintenance, and system loss of Point-to-Point connection including the switchgear at the Connection Point and its bus tie shall be borne by the NPP.</p>	<p>The cost of equipment and installation of <b>Point-to-Point Connection feeders and the Connection Point indoor switchgears, outdoor isolating/earthing switches, batteries and chargers, and the reconfiguration of the feeders</b> shall be borne by the NPP.</p>
<p><b>TOR 3.2.10</b></p>		<p>The operation and maintenance cost and system loss of the Point-to-Point Connection shall also be to the account of the NPP.</p>
<p><b>TOR 3.2.11</b></p>	<p>3.2.8 The NPP shall turn-over to MARELCO the switchgear at the Connection Point for ownership, operation, control and maintenance.</p>	<p>The NPP shall turn-over to MARELCO the ownership <b>and responsibility for operation, control and maintenance of all equipment at the Connection Point (including switchgears, isolating-earthing switches, batteries and chargers, and meters).</b></p>
<p><b>TOR 3.3.1</b></p>	<p>The NPP shall be allowed limited scheduled and an unscheduled outages of the power plants. The NPP shall indicate in its Bid the proposed Scheduled Outage Hours and Unscheduled Outage Hours provided. Scheduled Outages are those outages planned by the NPP as approved by the System Operator prior to the Operating Year.</p>	<p>The NPP shall be allowed limited scheduled and unscheduled outages of the power plants. The NPP shall indicate in its Bid the proposed <b>annual</b> Scheduled Outage Hours and Unscheduled Outage Hours. Scheduled Outages are those outages planned by the NPP as approved by the System Operator prior to the Operating Year.</p>
<p><b>TOR 3.3.3</b></p>	<p>Should either Scheduled Outage Hours or Unscheduled Outage Hours exceeds the allowed outages for any <b>billing month</b>, the fixed cost components of the price shall be reduced proportionate to the undelivered capacity.</p>	<p>Should either Scheduled Outage Hours or Unscheduled Outage Hours exceed the Allowed Outages for <b>any year</b>, the fixed cost components of the price shall be reduced proportionately to the undelivered capacity <b>and shall be returned to MARELCO through reduction of power rates in the succeeding year.</b></p>
<p><b>TOR 3.4.1</b></p>	<p>Prior to PSA signing, the winning NPP shall conduct its own CSP for fuel, secure a long-term fuel supply contract (minimum of 5 years), and provide a copy thereof to MARELCO. The NPP shall submit Renewal or New Fuel Supply Agreement six (6) months before the effectivity of the contract.</p>	<p><b>At least six (6) months prior to COD</b>, the NPP shall secure a long-term fuel supply contract (minimum of 5 years) and provide a copy thereof to MARELCO. The NPP shall submit Renewal or New Fuel Supply Agreements <b>six (6) months before the expiration of the existing fuel supply agreement.</b></p>
<p><b>TOR 3.4.2</b></p>	<p>The winning NPP shall ensure that fuel in stock is always good for at least forty-five (45) days including one month normal operation.</p>	<p><b>The NPP shall design the power plant/s and arrange for the delivery of fuel to the power plant such that there is at least fifteen (15) days of sufficient fuel stock at any point in time. Sufficient fuel stock means there will be no plant outage, whether partial or total, due to lack of fuel.</b></p>
<p><b>TOR 3.6.1</b></p>	<p>3.7.1 The Price Components shall be broken down as follows:</p> <ul style="list-style-type: none"> <li>a) Capital Recovery Fee (including profit), local</li> <li>b) Fixed Operation and Maintenance (local and foreign-USD)</li> </ul>	<p>The Price Components shall be broken down as follows:</p> <ul style="list-style-type: none"> <li>a) Capital Recovery Rate (CRR), including profit</li> <li>b) Fixed Operation and Maintenance Rate (FOMR)</li> </ul>

	<p>c) Variable Operation and Maintenance including lube oil (local and foreign-USD)                  d) Fuel (local and foreign-USD) including transport</p>	<p>c) Variable Operation and Maintenance Rate (VOMR), including lube oil and biomass feedstock, if applicable                  d) Fuel Rate (FR), including transport</p>
<b>TOR 3.6.2</b>	<p>3.7.2 Currencies of each price component may include local (PhP/kWh) and foreign (USD/kWh). Foreign currency shall be converted to PhP using 2019 Foreign Exchange rate published by Banko Sentral ng Pilipinas.</p>	<p>Currencies of each price component may include local (PhP/kWh) and foreign (USD/kWh), <b>except for Capital Recovery Fee which shall have local component only.</b> Foreign currency shall be converted to PhP using the Foreign Exchange rate published by Banko Sentral ng Pilipinas <b>corresponding to the billing month.</b></p>
<b>TOR 3.6.3</b>	<p>3.7.3 Applicable taxation based on type of energy source (that is, whether renewable or non-renewable);</p>	<p><b>Except for Value-Added Taxes (VAT) which shall be a pass-through component of the price, all other taxes and government dues including ER 1-94 (Benefits to Host Community), shall be to the account of the NPP (i.e., to be internalized in the Bid Price).</b></p>
<b>TOR 3.6.4</b>	<p>3.7.4 CRF shall be indexed only once and up to one year from the Effective Date.</p>	<p><b>CRR</b> shall be indexed only once using <b>September 2019 value as base and only</b> up to one year from the Effective Date.</p>
<b>TOR 3.6.6</b>	<p>3.7.6 The proposed NPP True Cost Generation Rate must be below the NPC's current TCGR</p>	<p>The proposed NPP True Cost Generation Rate (TCGR) must <b>be equal to or lower</b> than the NPC's TCGR.</p>
<b>TOR 3.8.1</b>	<p>Section 3.5.1</p>	<p>Section 3.5.1 of the previous provision will be renamed as Section 3.8.1</p>
<b>TOR 4.1.1</b>	<p>Prospective Bidders shall have an aggregate generation portfolio of at least 10 MW regardless of technology at the time of submission of bid and has been in the business of fossil fuel power generation for at least five (5) years or two (2) years for renewable energy to qualify.</p>	<p>Prospective Bidders shall have an aggregate generation portfolio of at least 10 MW regardless of technology at the time of submission of Bid and <b>has track record in power plant operation of fossil-based power plants for at least five (5) years or two (2) years for renewable energy plants, to qualify.</b></p>
<b>4.1.3</b>	<p>Corporation, Joint Venture, Consortium and Partnership with International Company can join provided they comply with all the requirements such as submission of Joint Venture agreement among others.</p>	<p>Corporations, Joint Ventures, Consortia and Partnerships can join provided they comply with all the requirements such as submission of Joint Venture agreement, among others. Qualification of members of joint venture, consortium, or partnership may complement to fulfill all required qualifications in this Bid.</p>
<b>4.2.2</b>		<p>The Bidder with the next LCLP shall be subjected to post-qualification evaluation in case the Bidder with the LCLP failed the post qualification. This process shall be repeated until a qualified Bidder is selected as NPP.</p>

**RESPONSE TO QUERIES RECEIVED BY THE TPBAC**

ITEM	PROVISIONS	BIDDER'S CLARIFICATION/ RECOMMENDATION	ANSWER	PROPOSED PROVISIONS
TOR 2.1.3	The RPS level in 2024 shall be part of the RPS compliance from 2025 to 2037. MARELCO will conduct another CSP before 2024 for new capacity to meet the peak demand and RPS requirement beyond 2024	We respect the decision of MARELCO to conduct subsequent CSP in 2024 but the MARELCO shall respect the contract of the Winning Bidder for the current CSP. Priority dispatch should be given to the existing NPP unless the tariff structure for this bidding will be capacity based for the fixed fees (Capital Recovery and O&M Fixed Fees)	<p>The PSA shall be "capacity contract" with a tariff structure that separates the fixed cost and variable cost components. The least-cost dispatch schedule shall be prepared by the System Operator (MARELCO) considering the tariff structure of all PSAs in accordance with the mandate of RA9136 (EPIRA Law).</p> <p>The Tariff Structure is specified in the Terms of Contract.</p>	
TOR 3.1.4	The generating units of the power plants shall have a maximum of 2.8MW Rated Capacity. In the case of modular RE such as solar power plant, the modules shall be configured such that an equivalent generating unit with maximum Rated Capacity of 2.8MW is achieved (e.g. 2x2.8MWp of	<p>1. Is the bidder allowed to install a combination of bunker and diesel generating units in one location?</p> <p>2. Assuming multiple technologies are allowed to be installed in one location, is it required that the capacity of the said technologies be identical?</p> <p>3. We suggest that the plant configuration be left to the discretion of the NPP as long as the guaranteed delivered</p>	<p>1. Yes.</p> <p>2. Generating units of the same technology shall have identical rated capacity. While Bunker-fueled generating units and diesel-fueled generating units may be located in the same power plant, they are treated as different technologies. Thus, all bunker-fueled generating units must be identical and all diesel-fueled generating units must also be identical but the bunker-fueled generating units may not have the same rating as the diesel-fueled generating units.</p> <p>3. The identical generating units in power system will facilitate System Operation (SO) dispatch and control. Management of operating reserve (scheduling and dispatch of spinning and backup reserves) to ensure System Security will be a</p>	Different power plant technologies (e.g., bunker and diesel generating units) may be installed in one location. Generating units of the same technology shall have identical Make/Brand and Rated Capacity not exceeding 2.8 MW. In the case of modular RE such as solar power plant, the modules shall be configured such that an equivalent generating unit with maximum Rated Capacity of 2.8MW is achieved (e.g. 2x2.8MWp of solar arrays).

	solar arrays). The generating units in a power plant shall also have identical Rated Capacity and Make/Brand	capacity per area is meet. What is the rationale for requiring identical Rated Capacity and Make/Brand for the generating units?	complex task if generating units are not identical at least for each power plant/technology. Power plants with identical units are usually cheaper to procure, construct and maintain (inventory of spare parts).	
TOR 3.1.8	XXXX The NPP shall provide MARELCO copy of the power system coordination study which includes the appropriate impedance of the isolation transformer(s)	1. Is the power system coordination study the same as Grid Impact Study?  2. When should the NPP submit the power system coordination study? During the bid submission or after the Notice of Award?	1. No.  2. The power system coordination study shall be submitted after the Notice of Award, during detailed engineering design of the power plant/s.	XXXX During the detailed engineering design of the power plant/s, the NPP shall provide MARELCO a copy of the power system coordination study, which includes the appropriate impedance of the isolation transformer(s).
TOR 3.1.14	The NPP shall provide SCADA for its plants with Remote Terminal Unit (RTU) that will be linked to MARELCO's SCADAS once it is in place.	How will the RTU be linked to MARELCO's SCADA? Will it be via internet or fiber optic?	The NPPs SCADA and RTU shall support fiber optic and radio communications using at least DNP3 and IEC 60870-5-101/104 SCADA communications protocols.	The NPP shall provide SCADA for its plants with Remote Terminal Unit that will be linked to MARELCO's SCADA once it is in place. The NPPs SCADA shall support fiber optic and radio communications, using at least DNP3 and IEC 60870-5-101/104 SCADA communications protocols.
TOR 3.4.2	The winning NPP shall ensure that the fuel stock is always be good for at least forty-five (45) days including one month normal operation	What is MARELCO's basis for the requirement? The longer the inventory period, the higher the investment costs (CAPEX and working capital) Can we suggest a 30-day safety stock fuel inventory?		The NPP shall design the power plant/s and arrange for the delivery of fuel to the power plant such that there is at least fifteen (15) days of sufficient fuel stock at any point in time. Sufficient fuel stock means there will be no plant outage, whether partial or total, due to lack of fuel.

<p>TOR 4.1.4</p>	<p>Renewable Energy Power plant for RPS may be subcontracted.</p>	<p>If the bidder would offer RE technology, is a Service Contract from the DOE or a simple proof of application be required as part of the technical documents? If not, how can MARELCO evaluate the technical feasibility of such RE technology?</p>	<p>As discussed during <b><u>3<sup>rd</sup> Pre-Bid Conference</u></b>, <b><u>the NPP or its RE Subcontractor for RPS may apply RE Service Contract to the DOE after NPP has been awarded PSA under this CSP.</u></b></p>	<p>ITB 14..2.2 (d) Copy of Certificate of Compliance issued by ERC or Service Contracts from the DOE as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submissions to ERC for the last five (5) years and the last 2 years in the case of RE. For Bidders where the power plant operation experience is not covered by COCs and GCMRs of ERC, a certification from third parties such as contracted customer/s (e.g., NPC-SPUG) and the operational reports received or recorded by the customer/s shall be submitted. Where the power plant/s of the Bidder is/are located in other country, equivalent DOE and/or ERC documents may be submitted.</p>
<p>ITB SECTION 8.4</p>	<p>The Bidder must have a generation portfolio of an aggregated total plant capacity of 10MW regardless of technology and has been in the business of power generation in the last five (5) years, provided that in the case of renewable energy, the Bidder or its RE subcontractor shall have been in the RE power generation business for a minimum of two (2) years. Furthermore, the power generation business track record of the Bidder or its RE subcontractor shall be on the same RE technology offered in this Transaction.</p>			



<p>ITB 1.2 TOR 3.2.1</p>	<p>The Winning Bidder referred to as the NPP of MARELCO shall construct power plants a three (3) different locations with the Guaranteed Delivered Capacity indicated in Table 1. The generating capacity may come from any type of power plant and the site on which the NPP will be constructed may be acquired or leased by NPP.</p>	<p>May we request the specific location (coordination) for Janagdong and Daykitin.</p>	<p>The following are the approximate coordinates of the distribution substations in Marinduque:</p> <ul style="list-style-type: none"> <li>a. Bantad Substation - 13.455704°N, 121.848080°E</li> <li>b. Cagpo Substation - 13.339604°N, 122.109273°E</li> <li>c. Daykitin Substation - 13.260786°N, 121.930950°E</li> </ul>	<p>The delivery and metering point shall be at the following Connection Points and Sites:</p> <ul style="list-style-type: none"> <li>a) Between Boac and Mogpog: 13.2 kV Bus at Bantad Substation in Boac, Marinduque (approx. coordinates:13.455704°N, 121.848080°E);</li> <li>b) Between Gasan and Buenavista: 13.2 kV Bus at Daykitin Substation (future) in Buenavista, Marinduque (approx. coordinates: 13.260786°N, 121.930950°E); and</li> <li>c) Between Sta Cruz and Torrijos: 13.2 kV Bus at Cagpo Substation in Torrijos, Marinduque (approx.. coordinates: 13.339604°N, 122.109273°E).</li> </ul>
<p>ITB 26.6</p>	<p>..... The average NPC TCGR for 2018 that will be used as benchmark for the evaluation is PHP 12.5954/kwhr</p>	<p>Can MARELCO provide the breakdown of NPC's TCGR for 2018 which is equivalent to PHP 12.5954/kwhr. Based on initial observation, there seems to be a mismatch between the NPC TCGR and the diesel price prescribed under Table 4 of the ITB. The diesel price is based on 2019 level while NPC's TCGR is based on 2018 price level.</p>	<p>The bid to be submitted shall be a price referenced to September 2019 (i.e., as if the NPP has delivered power in September 2019). Table 4 of the ITB are base values that would be used to index the September 2019 prices in the future since the price structure allows indexation of price components and not for the bid price. The bidders shall submit the price components based on their estimates of their own costs of delivering power in Marinduque in September 2019 including recovery of investment, fixed and variable O&amp;M and fuel costs.</p> <p>To establish a benchmark TCGR, it would be necessary to adjust the NPC average TCGR in 2018 by the capacity factor of a</p>	

			<p>Reference power plant that will supply power in Marinduque to the load 2024.</p> <p>The NPC-SPUG published average TCGR for Marinduque in 2018 are as follows:</p> <table border="1" data-bbox="915 360 1516 461"> <thead> <tr> <th>Fixed Cost</th> <th>Var Cost</th> <th>Total Price</th> </tr> </thead> <tbody> <tr> <td>PhP3.7016/kWh</td> <td>PhP8.8938/kWh</td> <td>PhP12.5954/kWh</td> </tr> </tbody> </table> <p>Using 20MW (8x2.5MW) reference plant operating at 47% capacity factor (i.e., load level of 2024), the fixed cost component will be adjusted to PhP3.4702/kWh since the weighted average capacity factor of NPC is 45% based on derated capacity of 13.7MW (64.63% derating factor). The fixed O&amp;M, assuming 25% of the fixed cost would have to be inflated by 2.5% (PH inflation in 2018 to 2019). The average retail price of diesel fuel in Marinduque (from DOE Retail Pumped Price Monitor) in 2018 is PhP50.6970/L while the average retail price in September 2019 is PhP46.163/L. This is translate to a fuel price reduction or deflation of 8.94%.</p> <p>Thus, the equivalent NPC TCGR of 2018 for September 2019 would be PHP11.5689/kWh which is even lower than the average 2018 NPC TCGR.</p> <p>We would like to emphasize that the bid price to be submitted is the NPP price as if it delivered power in September 2019 which must be lower than the benchmark TCGR, the 2018 NPC average TCGR in Marinduque.</p>	Fixed Cost	Var Cost	Total Price	PhP3.7016/kWh	PhP8.8938/kWh	PhP12.5954/kWh	
Fixed Cost	Var Cost	Total Price								
PhP3.7016/kWh	PhP8.8938/kWh	PhP12.5954/kWh								
ITB 16.4	Referring to Table 4	The price of the bunker-C, as provided under Table 4, is expressed in terms of \$/MT. This will be difficult on the part of the part of	The price of Bunker-C provided in Table 4 serves as a reference price or the base for indexation of fuel component of the price in accordance with the PSA. The price in PhP/kWh that the bidder shall submit shall be inclusive of all the costs							

		<p>the bidder to convert this to PHP/liter. Moreover, this price does not include other direct cost such as but not limited to costs of transportation, insurance, hauling and excise tax. For uniformity purpose, we suggest that the price for the bunker-C be changed to PHP/Liter.</p>	<p>including transportation, insurance, hauling, excise tax, etc. as if it delivered power in September 2019.</p>	
ITB 16		<p>Please provide sample computation per formula given in the Financial Proposal.</p> <p>How MARELCO will evaluate the various offers and how the rate will be implemented.</p>	<p>ITB Section 27 detailed the evaluation of the offer while the rate will be implemented in accordance with ITB Section 16.</p>	
ITB	<p>CUF evaluation on levelized Price basis</p>	<p>It looks like this will become "load factor" pricing which is advantageous to the coop because the payments include fuel that is not used and the variations I prices at each load factor level are hard to average out.</p> <p>We proposed that the evaluation method be made more simple and straight forward and to make then transparent and less questionable.</p> <p>1. The minimum</p>	<p>The pricing structure that separate the variable cost from the fixed cost that is dependent on CUF is transparent and just because the consumer will not be charged any amount in the variable cost that was not provided or supplied by the NPP, while the payment to the NPP's variable cost is assured.</p> <p>The evaluation method has to ensure that the bid shall be evaluated apple to apple and the complexity of power rates itself requires some details that a simplified evaluation will not guarantee apple to apple comparison and transparency.</p> <p>1. The minimum qualification and documentation requirements are specified in ITB Section 8 and 14.</p>	

		<p>qualification requirements for bidders shall be established and all bidders who meet those minimum requirements with credible documentation and validation shall be qualified to bid.</p> <p>2. To assure apple to apple comparison to determine the winner, uniform economic parameters shall be used;</p> <p>a. Foreign Exchange Rate</p> <p>b. Cost of fuel, bunker, lube natural gas, etc. that will be used although each bidder must declare their guarantee fuel conversion efficiency.</p> <p>c. For fossil fuel, the net guaranteed capacity will be contracted shall be also uniform like for 80% of rated capacity of reciprocating engines, 85% for turbines, 95% for solar, etc hence the bidder net guarantee capacity offered is clear and a uniform output of kwhr per year shall be used for comparative benchmarking purposes.</p> <p>d. Inflation Indices</p> <p>e. Uniform maintenance downtime allowances in computing annual output</p>	<p>2. All financial and economic parameters for an apple to apple comparison are specified in the ITB. All bidders will be evaluated using the same parameters.</p> <p>The ITB provides a price structure that is simpler and more transparent than the traditional PSAs as discussed during the pre-bid conference. Bidder shall submit bids accordingly.</p>	
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		<p>in kwhr for comparison of bids purposes.</p> <p>f. Please consider the following protect the consumers and the government.</p> <p><b>1. For base load service</b></p> <p>a. For each technology for base load service, bidders shall quote their capital recovery and fixed O&amp;M fees on pesos per kw per month</p> <p>b. Their variable cost of variable O&amp;M, lubes and fuel shall be quoted on per kwrhbaisi considering a benchmark annual energy output for bid comparison purposes.</p> <p>c. Contracted price and payment shall be based on energy delivered and dispatched</p> <p>d. The NPP is still nonetheless contractually required to make available the minimum net guarantee capacity minus downtimes.</p> <p><b>2. For mid-merit and peaking service with an estimate of annual energy output established by MARELCO</b></p> <p>a. Bidders will similarly quote their capacity recovery and fixed O&amp;M</p>		
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		<p>fees basis on net guarantee capacity to be made available</p> <p>b. Bidders will also quote their variable charges of lubes and fuel based on the economic parameters established.</p> <p>c. Then the comparative true cost of generation per kwhr can be established and evaluated.</p> <p>d. For contract purposes however, the payments to the NPP shall be based on net guarantee capacity delivered for the month plus the variable cost as running charges.</p> <p>3. Allowing for year to year and month to month TCGR cost is at best too complex and susceptible to mathematical gaming. And they still are theoretical since it will be based on an assumed level of dispatch and load growth.</p> <p>4. This must be for bid comparison purposes. If the bidder wishes to offer a lower price say after 7 years, that the can be considered as an option that the EC can consider IF the bidder wins in the basic bid comparison</p>		
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		<p>stage.</p> <p>5. Blending of fossil and various RE like solar and hydro are complex enough.</p> <p>6. If the inflation and forex adjustments are uniform, there is really no need for marelco as off-taker to do a levelized rate computation for determining the lease cost qualified bidder.</p> <p>The time tested lowest cost among qualified bidders, with clear net guaranteed capacity commitments and rates plus clear per kwhr variable charges is still the most flexible way to compute the fair cost at each level of plant dispatch depending on the needs of the EC.</p>		
TOR. Sec. 3.4.2	The winning NPP shall ensure that fuel in stock is always good for at least forty-five (45) days including one month normal operation.	We would like to clarify if the one month operation fuel requirement is on top of the 45-day stock fuel.	See answer above.	
ITB Sec. 8.4	The Bidder must have a generation portfolio of an aggregated total plant capacity of	We would like to confirm if the 2 years renewable experience is still a requirement even if the main offer for the 16MW	The minimum 2-year experience requirement specific to RE technology offered is required for ALL Bidders since all Bidders will be offering RE for the RPS requirement. If the RPS requirement will be supplied through a third-party with which	

	<p>10MW regardless of technology and has been in the business of power generation in the last five (5) years, provided that in the case of renewable energy, the Bidder of its RE subcontractor shall have been in the RE power generation business for a minimum of two (2) years.</p>	<p>guaranteed dependable capacity is conventional technology or if the 2 years RE experience requirement applicable only if the technology to be offered for the 16MW is renewable energy.</p>	<p>the Bidder has made arrangements (either as a sub-contract, or in partnership with), the 2-year RE-technology specific experience will be that of the contracted third-party, whose experience and credentials will be submitted by Bidder as part of its Bidding requirements. This is stated in the ITB Section 8.2, 8.4, 8.5, and 14.2.2.</p> <p>In addition to the 2-year RE-specific technology experience requirement, the Bidder shall also have at least 5 years of experience in fossil-based power generation if he is also offering fossil-based plants to satisfy the 16-MW capacity requirement.</p>	
<p>ITB Sec. 1.3</p>	<p>The NPP's annual generation shall also meet MARELCO's annual RE Portfolio Standard (RPS) requirements under the Renewable Energy Act of 2008 (RE Law) from 2022 to 2024 .....</p>	<p>Per DOE Circular No. DC2018-08-0024 on RPS for SPUGs and MEDP per SPUG area will be developed which will be the basis for the RPS compliance and the mandated participant are the Gen Cos unlike RPS for on-grid where the DU is the mandated participant.</p> <p>In addition, RPS for off-grids also requires annual incremental RE generation.</p> <p>With the aforementioned circular, we would like to ask the status of MEDP for MARELCO Grid</p>	<p>MEDP for MARELCO Grid has not been finalized yet, however the projected demand for year 2022 to 2024 in the ITB Section 27.6, Table 10 that would be used as basis for RPS compliance reflects the demand in the MEDP. The RPS requirements for year 2022 to 2024 assumed the full implementation of RPS policy in 2020. Hence, the minimum RE generation requirement for year 2022 is at 3% of the projected energy requirement of MARELCO Grid. For the 2023 and 2024 the annual incremental RE generation is captured by the required 4% and 5% RPS requirements, respectively. In accordance with TOR section 2.1.2 as reflected in the bid Form 1 in Annex B, RE installation maybe staggered provided the annual minimum energy requirement from RE shall be met by the NPP.</p>	

		<p>Also, what will happen if the RPS requirement turns out to be higher as a result of MEDP?</p> <p>Will you allow staggered installation for RE capacity for RPS?. How will a staggered installation be evaluated?</p>		
ITB Sec. 26.6	<p>The Base Price offered by the Bidder will be evaluated and compared with the NPCTCGR in accordance with the evaluation methodology described in Sec. 27 using the annual energy dispatch for 2024 but without applying any inflation and taxes.</p>	<p>May we respectfully ask if how will MARELCO determine the base price considering that the fixed fees (CRF and FOM) involves different CUF?</p>	<p>The base price is the September 2019 reference price offer of the Bidder submitted using the Bid Form (i.e., the sum of the Capital Recovery Rate, Fixed O&amp;M Rate, Variable O&amp;M Rate, and Fuel Rate). The CRR and FOMR will be determined based on the CUF which is calculated using the demand level of 2024. The evaluation methodology is detailed in Section 27. The CUF for each month in 2024 can be calculated using the monthly energy demand in 2024 and the equations in Section 27 (without application of taxes and inflation).</p>	
TOR Sec 3.2.5	<p>The RE plant for RPs, if separate from the power plants at the prescribed three (3) location, may be connected at the power plant or at the Connection Point which shall have separate</p>	<p>Will MARELCO require installation of battery considering size of solar which is already equivalent to 1 engine?</p>	<p>Storage battery is not required for RPS. The Bidder may install storage battery if he wish the solar power plant to be credited for Guaranteed Delivered Capacity.</p>	

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	metering equipment. The number of circuits for RE-RPS plant is a the discretion of the NPP			
ITB Sec 26.6	For purposes of this evaluation, the power plant included in the offer solely to comply with RPS (i.e not intended to meet the Guaranteed Delivered Capacity in 2022) shall be excluded from the calculations	Is this applicable for NPC TCGR comparison purposes only? Or also in computing the LCB?  Will there be separate rate for RPS capacity in the PSA? Or will it be blended in the Conventional technology?	The RPS is an additional requirement that may increase the electricity price. For purposes of determining whether the offer of the NPP will be equal or lower than the NPC TCGR, it will not be fair to include the RPS component.  If the RE generation is purely for RPS compliance then the RPS will be a separate component of the price. However, if the RE generation is part of the Guaranteed Delivered Capacity, then there will be no separate price component.	
ITB Bid Form	Bid Form	For financial proposal of RE for RPS compliance purposes, shall we also use Financial Proposal Form 2, 3 or 4?	Form 2 (Hydro) and Form 4 (Biomass) are for power plant credited for Guaranteed Delivery Capacity that also fulfills the RPS obligation. Entries in Form 3 (Solar) will be treated as RPS only if in Form 1 (All Plants) there is no storage battery.	
ITB Sec 27.6	Table 10 indicates monthly peak and energy demand from 2022 to 2037	Will the energy demand indicated in Table 10 be the billing determinant to be included in the PSA  May we ask if it is the intention of MARELCO to have a constant billing determinant from 2024 to 2037?	The peak and energy demand from 2022 to 2036 are NOT billing determinants. The billing determinants are based on actual dispatch that will determine the energy for Variable Cost components of the price and the CUF for Fixed Cost components of the price.	
TOR Clause 3.3.1		We understand that it's up to the Bidder to propose outage allowance but, does MARELCO have an	Outage Allowance is a Bid Variable which the Bidder shall offer that may affect the evaluated price. An indicative scheduled and unscheduled outage allowance for the GenCo could therefore	

		indicative scheduled and unscheduled outage allowance for the Genco?	not be provided as it will defeat the competitive nature of the bid variable.	
TOR Clause 3.2.5		Do we also need double circuit connection for the Solar Plant?	As mentioned in TOR 3.2.5, if the Solar Power Plant is for RPS only, the number of circuit is at the discretion of the NPP. However, if the solar power plant will be credited for guaranteed delivered capacity, the connection shall be double-circuit as specified in TOR 3.2.2.	
		What is MARELCO's stand on current case filed by some group on the validity of TPBAC selection process and composition?	MARELCO will continue this CSP unless expressly prohibited by the Supreme Court Order.	
TOR 4.1.1	<p><b>Comment on the lowering of 5 year-experience requirement for conventional technologies:</b></p> <p>The lowering of the plant operations experience requirement from 5 years to 2 years was discussed during the pre-bid conference and the main argument was that the first 2 years is considered to be the "de-bugging period" for a newly constructed power plant.</p>	<p>While we agree that the first 2 years of operations will allow the operators to identify problems/issues due to poor quality of work during construction or flaws in the engineering design (this is also the reason for the usual 1 or 2 year warranty period for EPCs), we still believe that 5 years is the minimum before we can say that a plant operator has significant/meaningful experience for the following reasons.</p> <p><b>First</b>, the first major PMS (1<sup>st</sup> overhaul) of the engines usually happens on the 4<sup>th</sup> or 5<sup>th</sup> year of operations (between 24,000 to 36,000 running hours). During the overhaul, all critical/major</p>	Still 5 years and 2 years. But the operational report does not necessarily have to be solely submitted to ERC.	

		<p>parts of the engine are examined and have the wear and tear measured to determine if major parts already needs replacement or how long will it last. Experience on this major activity is critical since this will ensure that the engines will efficiently run for the rest of the contract them.</p> <p><b>Secondly,</b> having experience in major overhaul will allow the operator to predict and plan ahead its future maintenance activities, including procurement or stocking of major parts in a way that will improve plant efficiency and minimize un-scheduled outages thereby ensuring that the plant is always within the guaranteed availability period.</p> <p>Hence, we suggest that MARELCO should maintain the 5year experience requirement since this will be for the benefit of the electric cooperative and ultimately its member consumers.</p>		
	<p>Regarding substitution of bidder</p>	<p>We respectfully asking MARELCO TPBAC for official reply regarding</p>	<p>The TPBAC accepts and approves the request for substitution of VIVANT ENERGY CORPORATION (VEC) to VIVANT INTEGRATED DIESEL</p>	

		substitution of bidder from VIVANT ENERGY CORPORATION (VEC) to VIVANT INTEGRATED DIESEL CORPORATION (VIDC). VIDC is a wholly-owned subsidiary (100% owned) of VEC.	CORPORATION (VIDC). All documents required for bidder shall be documents of VIDC. This response serves as an official reply and notification to all parties.	
	Maximum Rated Capacity of 2.8MW	We would like to ask if the TPBAC can consider allowing gensets that have rated capacity that is slightly higher than 2.8MW but still less than 3.0MW.	No. The 2.8 MW is an absolute cap for the rated capacity for generating units that would achieve a guaranteed delivered capacity of 2 MW at the Connection Point.	
ITB Section 8.4	The Bidder must have a generation portfolio of an aggregated total plant capacity of 10MW regardless of technology and has been in the business of power generation in the last five (5) years, provided that in the case of renewable energy, the Bidder or its RE subcontractor shall have been in the RE power generation business for a minimum of two (2) years. Furthermore, the power generation	In accordance with ITB 8.4 of the latest bid bulletin, and with respect to the recent pre-bid conferences and bid bulletins released by the TPBAC, it is deemed that the bidder (or its RE subcontractor) shall have a generation portfolio of the same RE technology being offered. The technology that we are offering is a ground-mounted PV installation with diesel generation and energy storage system. Solar Philippines; legal track record comprises of Solar North Edsa, Solar Calatagan and Solar Tarlac, classified as ground-mounted and rooftop projects, respectively. Solar	With regards to the generation portfolio, the capacity of the ground-mounted PV and the capacity of PV component of the PV-hybrid shall comprise the total capacity of the RE portfolio. The diesel component of the PV-hybrid shall likewise be credited as a capacity in the total generation portfolio. For purposes of submitting bid, the PV component of the PV-hybrid offer shall be included in Form 3 while the diesel component shall be included either in Form 5 or Form 7. The storage battery component, if any, shall be indicated in Form1.  With regards to RE plants that has no GCIS and GCMR submitted to the ERC, a document that will prove the commercial operation date or month and the status of its current operation shall be submitted in order to establish the track record of the power plant. A letter-certification from the DOE that the agency is currently assessing the performance of the RE plant shall be accepted as proof of existence of an operating plant. If the RE plant is located in other country, equivalent documents may be submitted.	

	<p>business track record of the Bidder or its RE subcontractor shall be on the same RE technology offered in this Transaction.</p>	<p>Philippines’ affiliate, Solar Para Sa Bayan inc. has a 2MW operating solar-hybrid pwer plant located in Palauan, Occidental Mindoro, Since the draft for IRR of the Soar Para Sa Bayan franchise is still on-going, the legal documents that we are only able to present are as follows:</p> <ol style="list-style-type: none"> <li>1. Permit to Operate issued by EMB</li> <li>2. Certificate of Non-coverage issued by EMB</li> <li>3. Sangguniang Bayan Resolution issued by LGU</li> </ol> <p>The Paluan Microgrid has also undergone its performance assessment and audit by Department of Energy last December 10, 2019 and is waiting for their certification recognizing the plant’s capacity as power provider. We are currently negotiating with DOE with regards to this matter.</p> <p>Aside from the qualifications from our ground-mounted solar PV, we would like to include the experience and qualifications of SPSB Palauan, considering that</p>		
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		<p>it is under the same technology that we are offering. We would also like to clarify if solar ground-mounted PV and Solar PV-hybrid can be considered under the same RE technology for this bid, which is Solar PV.</p>		
	<p>The two-year experience requirement shall be applied to all bidders, regardless of the technology used. To prove reliability and efficiency of operations, bidders may be required to submit sworn certifications that their operations records meet the minimum levels of plant efficiency and availability required by the TPBAC</p>	<p>Duration of experience is of course, not without value. For this the TPBAC may consider the first two (2) years of plant operations as sufficient. As discussed during the 3<sup>rd</sup> Pre-bid, the first 2 years are considered as debugging period in typical plant operations, where most operational and maintenance issues will arise. After the period, operations will have normalized and there would be little added value, if any, in the subsequent years of operations.</p> <p>Hence, once a generation company has successfully surpassed this 2 year period, it should be considered to have sufficient experience as a NPP for the CSP</p> <p><u>The CSP should ensure that a bidder is a reliable</u></p>	<p>This Bid provides sufficient flexibility for interested bidders to qualify such as partnership, joint ventures and consortium. The reduced requirement (i.e., 2 years track record) for RE is primarily inconsideration of the early years of the RE technology and industry in the Philippines.</p>	

		<p><u>and efficient plant operator.</u></p> <p><b>Firstly</b>, the CSP should guard against qualifying inefficient and unreliable plant operators. For this purpose, a bidder can be required to submit a sworn certification to prove its record of reliability and efficiency of operations, and may include its operating records. The TPBAC can set a minimum level reliability that it finds sufficient (e.g. a minimum of 90% plant availability for the duration of its experience)</p> <p><b>Secondly</b>, the CSP can ensure that the submitted proof of track record is truthful. For this purpose, the bid rules and the sworn certification shall state that if there is any material misrepresentation, severe penalties shall be meted. If the misrepresentation is discovered during the bidding process, the bid security shall be forfeited or the bidder disqualified and blacklisted. If the misrepresentation is</p>		
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		<p>discovered later on during the effectivity of the PSA the performance Security shall be forfeited, and such misrepresentation shall be a ground for termination of PSA</p> <p><b>Thirdly,</b> the CSP may establish the experience and expertise of the bidder through its committed technical personnel</p> <p>More important that the bidder itself, its technical personnel are responsible for the reliability and efficiency of operations. Regardless of whether the bidder has sufficient number of years of experience. the experience of the committed technical personnel should suffice to comply with this qualification.</p> <p>For this purpose, the bidders may be required to submit sworn proof of technical experience and capability of its committed personnel.</p> <p>Suggestions:</p> <p>a. The two-year experience requirement</p>		
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		<p>be applied to all bidders regardless of technology used.</p> <p>This will allow renewable energy proponents, and at the same time obviate any inadvertent undue advantage.</p> <p>b. The bidders be required to submit proof of the level of reliability and efficiency in their operations. The proof may in the form of sworn certifications with operating records. The TPBAC may require minimum levels of plant availability and efficiency.</p> <p>The TPBAC can provide for severe penalties in case of material misrepresentation in the bid rules and the PSA to deter misrepresentation of technical capability. Also requiring sworn proof of the technical experience and capability of the bidder's committed personnel, whose employment shall be maintained or adequately replaced.</p> <p>Alternative to item (b), the TPBAC may consider the technical expertise and capability of the</p>		
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		bidder's committed personnel, instead of the bidder's record as a corporation.		
	The revised ITB should be revised to expressly allow individual joint venture partners to pool their resources to meet the technical requirements	<p>.... that based on the last 3<sup>rd</sup> Pre-bid that as Prof Wali furtherly expressed that the previous provisions " For JV or Consortium, one of all of the partners must satisfy the requirement" defeats the purpose of a JV. Hence, the individual JV partners are allowed to pool their resources to meet the technical requirements, rather than requiring only one of them satisfy the all requirements.</p> <p>For the guidance , we suggest that the TPBAC issue a bid bulletin modifying the revised ITB to reflect the foregoing.</p>		<p>New Section 8.7</p> <p>In case of Joint Venture or Consortium, the qualification of the Bidder may be obtained by pooling the qualification of each member of the JV or Consortium. Provided that the member of the JV or Consortium with the longest track record shall be taken as the track record of the Bidder (i.e., the track record in terms of number of years of each member shall not be added.</p>
ITB 26.6	The reconsideration and updating of the NPC TCGR of P12.5954/kwhr as the benchmark for the evaluation and comparison of the base price offered by the bidders.	<p><b>Firstly,</b> the rate itself appears far from realistic. For off-grid NPC mostly employs rented modular diesel generating units under leased of no more than 1 year. These are necessarily very expensive and will necessarily result to a rate higher that P12.5954/kwrh.</p> <p>Hence, we suggest that</p>	Same as above	

		<p>the 2018 NPC rate be examined and considered, including the diesel fuel cost component and how the same compares to prevailing diesel prices.</p> <p><b>Secondly,</b> the rate is outdated. NPC’s proposed TCGR for 2020 is far higher at P21.6624/kwhr</p> <p><b>Thirdly,</b> applying NPC TCGR to the CSP would not be appropriate since NPC’s supply is not subject to many requirement such as capacity commitments, 3 plants sites, reserve, 24/7 availability, penalties in case of failure to supply.</p>		
	<p>MARELCO will update annually the Marinduque Power Supply Plan and will procure through CSP every two (2) year or as needed.....</p>	<p>1. If the year 3 Annual Demand of 82,349,369 kwhr shall be our maximum energy requirement that MARELCO will require its Winning Bidder for this 15 year PSA Project?</p> <p>2. What would be the scheme of CSP that will indicate the Dispatch Protocol after the succeeding CSPs have been done and there will be 2 or more Generation Company that supplies within the franchise area.</p>	<p>1-2. This is a projected energy demand in Year 3 which shall be used for purposes of evaluation. The PSA is a capacity contract which separates fixed cost and variable cost components. The NPP shall declare the availability of Delivered Capacity at the Connection Point which shall be used in preparing Dispatch Schedule. Therefore, the dispatch may be lower or higher than the 82,349,369 kWh in any operating year for the 15-year PSA. The maximum energy generation of any power plant shall depend on the declared available Delivered Capacity and the optimized variable costs of all PSAs.</p> <p>3. The RPS is a minimum “energy” obligation which can be supplied by a power plant that is part of the Delivered Capacity or by a separate power plant that has no Credited</p>	

		3. Is the RPS requirements shall be included in the 16MW guaranteed delivered capacity?	Capacity (e.g. solar without storage battery).	
ITB 3.7.2	Currencies of each price component may include local (Php/kwh) and foreign (USD/kwh). Foreign currency shall be converted to Php using 2019 Foreign Exchange Rate published by Bangko Sentral ng Pilipinas.	1. May we clarify the use of 2019 Forex rate stated above as regards to the monthly payment of GenCo?, if this is fixed and cannot be changed? Or subject to indexation?  2. May we ask for detailed price structure that will show the computation how was the forex and cpi application (indexation) applied to FC1, FC2, VC1and VC2	The price structure is given in Final ITB Section 16.3. Foreign currency shall be converted to Foreign Exchange rate for the billing month as published by Bangko Sentral ng Pilipinas.	Currencies of each price component may include local (Php/kWh) and foreign (USD/kWh). Foreign currency shall be converted to Foreign Exchange rate for the billing month as published by Bangko Sentral ng Pilipinas.
	Commitment Letter from Landowners	Is there a prescribed format? If none, may we ask for a list of the information that must be included therein?	A notarized agreement or letter of the land owner shall include specific information including, but not limited to: a) Statement that the land owner is will cause (not only willing) the subject property to be sold or leased to the Bidder, if awarded the PSA by MARELCO b) Terms and conditions of the agreement c) The total area of the property that will be sold or leased to the Bidder d) The total amount of the sales or the regular monthly/quarterly/annually lease agreement e) If lease agreement, the term or period of lease which shall be long enough to fulfill the NPP obligation under the PSA f) Reference information from the TCT of the property to be sold or leased. Copy of the TCT of the property shall be included in the submission of documents.	

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	<p>Convincing evidence that the Bidder has strong credit backing and can successfully arrange financing for the project such as letter from prospective project financiers</p>	<p>Is there a prescribed format? Will an official letter of intent or a letter of comfort from a bank or similar financial institution be sufficient as convincing evidence? If not, kindly guide us on what qualities as Convincing Evidence</p>	<p>A letter from the financial institution or bank indicating that the Bidder has arranged for the financing of the power plants project in Marinduque that is subject of the MARELCO Competitive Selection Process for New Power Provider and that the Bidder is qualified to borrow from the bank the amount of financing requested for the project. The letter shall indicate the Project and the indicative amount of financing and its equivalent share as percentage of the total project capital cost and must demonstrate that the project is being considered for financing by the bank and will proceed to formal financing process should the Bidder is awarded PSA by MARELCO.</p>	
	<p>..... Given this, we request for clarification on the measures that MARELCO TPBAC will enforce to ensure that the financial model to be submitted by each prospective bidder will be kept confidential and not to be shared with other bidders and unauthorized persons. These measures are essential in order to safeguard not only the prospective bidders, but the principles and policies behind</p>		<p>The TPBAC offered to evaluate the <i>Financial Evaluation Model</i> of the prospective Bidders not their <i>Financial Pricing Model</i>. The objective is to ascertain whether the Bidder's understanding of Bid Evaluation Methodology as reflected in the financial evaluation model is consistent with the rules specified in the ITB. Bidders who will opt to have their financial evaluation model are supposed to put only 'test data' and should not be their bid data. Nevertheless, in accordance with the rules, the Bidder's financial evaluation model are classified as confidential and not to be shared to the other Bidders and outside the CSP authorized persons.</p>	



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	the conduct of the CSP.			
	<p>For Renewable Energy:</p> <p>1. We are required to provide a service contract and certificate of compliance of our existing plants that support our 2 years and above experience.</p> <p>2. In the case of Renewable energy experience outside the Philippines, TPBAC only accepts the experience of Generation companies inside the Philippines.</p> <p>Kindly confirm</p>		<p>1. Where the power plant/s of the Bidder is/are located in other country, equivalent DOE and/or ERC documents may be submitted.</p> <p>2. Power plant operational experience of Bidder, whether renewable or non-renewable may be in the Philippines or in other countries.</p>	