



**OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.**  
**San Jose, Occidental Mindoro**



**BID BULLETIN NO. 12**

This Bid Bulletin No. 12 dated 22 November 2019 is being issued to respond to request for clarifications and to confirm key issues addressed and discussed during the Pre-Bid Conference held last 05 November 2019:

| <b>REFERENCE</b>   | <b>REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS</b>   | <b>TPBAC ANSWERS AND CLARIFICATIONS</b>   |
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| ITB 2: Definition of Terms                                       | <p>The term “Affiliate” is not defined in the ITB. Kindly define this term.</p> <p>[NEW] “‘Affiliate’ means a corporation or other juridical entity effectively Controlled by or Controlling the Bidder or associated with the Bidder under common ownership or Control.”</p> <p>[NEW] “‘Control’, ‘Controlled’, or ‘Controlling’ means:</p> <p>(a) the ownership (whether directly or indirectly) of more than fifty (50%) of the total issued voting share capital of that company or corporation, or</p> <p>(b) the ability to appoint a majority of the board directors or similar corporate body or bodies of that company or corporation through the ownership of securities with voting power or otherwise, or (c) the ability to otherwise direct the business affairs and/or operations of that company or corporation.”</p> | <p>Affiliate – refers to a corporation that directly or indirectly, to one or more intermediaries, is controlled by, or is under the common control of another corporation which thereby becomes its parent corporation. Two companies are affiliated when one company owns less than a majority of the voting stock of the other, usually less than 50%, or when both are subsidiaries of the third company.</p> |
| ITB 5.1; ITB 12.1.2: Technical Documents Requirements – Folder 2 | Please confirm if a Bidder may comply with the technical qualification requirement provided under Section 5.1 of the ITB through its Affiliate, or in the case of a Bidder that is a consortium or partnership, its member or the member’s Affiliate.   | If under a consortium/partnership of power suppliers each member must submit eligibility requirements (Envelope 1).   |

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|           | <p>“5.1. <del>Power supplier or its affiliate or consortium/partnership.</del> A Bidder must be a (i) duly incorporated and validly existing domestic partnership or corporation directly engaged in the business of power generation and supply of electricity, (ii) an Affiliate of an entity directly engaged in the business of power generation and supply of electricity, or (iii) a consortium or partnership, whether incorporated or not, comprised of at least one member that is, directly or through its Affiliate, engaged in the business of power generation and supply of electricity. The Bidder, its Affiliate, or in the case of a Bidder that is a consortium/partnership, at least one member, directly or through its Affiliate, must be engaged in Power Generation with at least five (5) years of experience that owns and/ or operates and must own and/or operate existing and operational power plant(s), employing tested and proven technology in the Philippines with at least 5MW installed capacity and without must have no undelivered supply contracts with OMECO.”</p> <p>“12.1.2 Technical Documents Requirements – Folder 2</p> <p>a) Company profile highlighting experiences, expertise of the company Bidder, its Affiliate, or in the case of a Bidder that is a</p> |                                  |



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|           | <p>consortium/partnership, its member or the Affiliate of its member (as applicable) and key officers in power plant operation;</p> <p>b) Statement in matrix form of all similar projects owned, developed, constructed, and/or operated by the Bidder, its Affiliate, or in the case of a Bidder that is a consortium/partnership, its member or the Affiliate of its member (as applicable) in the last five (5) years. The statement shall include, for each power plant, the following:</p> <ul style="list-style-type: none"> <li>i. The name of the power plant;</li> <li>ii. Installed and dependable capacity of the power plant;</li> <li>iii. Type of power plant according to fuel or energy resource;</li> <li>iv. Location (address) of the power plant;</li> <li>v. Year the power plant was built and commissioned; and</li> </ul> <p>The statement shall be supported by a valid Certificate of Compliance (COC) issued by the ERC or a Certification by the ERC that the application for a COC is under review. In case of foreign Bidders equivalent Certification allowed by Philippine Laws may be required.</p> <p>c) Statement, in matrix form, of customers of the Bidder, its Affiliate, or in the case of a Bidder that is a consortium/partnership, its member or the Affiliate of its</p> |                                  |



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|  | <p>member (as applicable) with copies of the 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 email 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>   |  |
| ITB 2: Definition of Terms; ITB 5.2                    | <p>Please define the term "Net Worth" under Section 5.2.</p> <p>[NEW] "Net Worth" means the sum of subscribed and paid up equity, including additional paid-in capital, and retained earnings."</p>  | Net Worth refers to the total assets less total liabilities.   |
| ITB 12.1.3 Financial Documents Requirements - Folder 3 | <p>Please confirm that only the entity that will comply with the financial qualification requirement under Section 5.2 has to submit the financial documents requirements under Section 12.1.3.</p> <p>"12.1.3 Financial Documents Requirements - Folder 3</p> <p>a) The Bidder and, its affiliate <u>Affiliate</u> or consortium/partnership engaged in power generation's audited financial statements, stamped "received" by the Bureau of Internal Revenue (BIR) or its duly accredited and authorized institutions, for the last three (3) years, showing, among others, the Bidder's total and current assets and liabilities. A sworn statement of current assets and</p> | <p>If the affiliate/subsidiary is the bidder, the affiliate/subsidiary shall submit its qualification.</p> <p>If _____ under consortium/partnership of power suppliers each member shall submit eligibility requirements (Envelope 1).</p> |



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|  | <p>liabilities will be accepted in lieu of audited financial statements for <u>Bidders entities</u> that have been in existence for less than one fiscal year. xx xx</p> <p>b) Company profile and history of the bidder <del>and</del>, its <del>affiliat</del> <u>Affiliate</u> or consortium/partnership engaged in Power Generation, including:<br/>xx xx”</p>   |   |
| ITB 12: Documents Comprising the Bid: Eligibility Requirements | Please confirm if the Bidders are required to submit originals or certified true copies of the documents comprising the Eligibility Requirements under Section 12 of the ITB. If so, please confirm that any authorized representative of the Bidder may certify any of the documents comprising the Eligibility Requirements as true and correct.   | <p>It is stated in the Bid Bulletin No. 07 which is required to be submitted original and certified true copies of documents.</p> <p>All documents shall be certified by the Bidder’s authorized custodian.</p> |
| ITB 12.1.1(j)  | Section 12.1.1(j) states that if a Bidder is a partnership or consortium, it must submit a “declaration under oath of its principal owner”. Kindly clarify what this documentary requirement refers to.  | <p>The ITB 12.1.1 (j) was amended per Bid Bulletin No. 8.</p> <p>It should be included in the consortium agreement or joint venture agreement to be submitted by the Bidder.</p>                                |
| ITB 13.1(b)  | Under the Item 7 of the Terms of Reference, the Interim Demand Requirement may be complied with through rental or installation of temporary modular generating units. In the event that the Bidder will comply with the Interim Demand Requirement through lease, please confirm that the Bidder is required under Section 13.1(b) of the ITB to provide general information on the power plant that will be leased by the Bidder. | Yes, the Bidder shall provide the general information of the power plant that will be leased under ITB 13.1 (b).  |



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| ITB 17.1; ITB 18: Sealing, Marking And Signing Of Bids | <p>Section 17.1 of the ITB states:</p> <p>“17.1 Bidders shall submit their bids through their duly authorized representative on or before the deadline specified in the ITB 19 in three (3) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the Eligibility Requirements under ITB 12, the second shall contain the Technical Proposal of the bid under ITB 13, and the third envelope shall contain the Financial Proposal under ITB 14.”</p> <p>Please consider allowing Bidders to submit their Eligibility Requirements, Technical Proposal and Financial Proposal in sealed boxes, instead of sealed envelopes, because the Bidding Documents may be voluminous.</p> <p>“17.1 Bidders shall submit their bids through their duly authorized representative on or before the deadline specified in the ITB 19 in three (3) separate sealed bid envelopes <u>or boxes</u>, and which shall be submitted simultaneously. The first shall contain the Eligibility Requirements under ITB 12, the second shall contain the Technical Proposal of the bid under ITB 13, and the third envelope <u>or box</u> shall contain the Financial Proposal under ITB 14.”</p> <p>“18.1 Bidders shall enclose their original Eligibility Requirements</p> | Yes, we will consider this in ITB 17.1, ITB 18.1 and 18.2. |



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|                                 | <p>described in in one sealed envelope <u>or</u> <u>box</u> marked "ORIGINAL - ELIGIBILITY REQUIREMENTS," the original of their Technical Proposal in another sealed envelope <u>or</u> <u>box</u> marked "ORIGINAL - TECHNICAL PROPOSAL," and the original of their Financial Proposal in another sealed envelope marked "ORIGINAL - FINANCIAL PROPOSAL," sealing them all in an outer envelope <u>or</u> <u>box</u> marked "ORIGINAL BID".</p> <p>"18.2 Each copy of the first, second, and third envelopes <u>or</u> <u>boxes</u> shall be similarly sealed duly marking the inner envelopes as "COPY - ELIGIBILITY REQUIREMENTS", "COPY - TECHNICAL PROPOSAL, and "COPY - FINANCIAL PROPOSAL" and the outer envelope <u>or</u> <u>box</u> as "COPY", respectively."</p> |  |
| ITB 17.2                        | <p>Please confirm how many copies of the Bid shall be submitted in addition to the original.</p> <p>"17 .2 The Bidder shall prepare and submit an original of the first, second, and third envelopes as described in ITB 12, ITB 13, and ITB 14. In addition, the Bidder shall submit [•] copies of the first, second, and third envelopes. In the event of any discrepancy between the original and the copy, the original shall prevail.</p>  | <p>In addition to the original, the bidder shall submit another copy of the first, second, and third envelope.</p> |
| ITB 28: Signing of the Contract | <p>For taxation and financial considerations, it is the intention of SPC Power Corp., the bidder, to (a) form a project company</p>   | <p>Section 32 of the draft PSA provides Section 32: Assignment of Rights as issued in Bid Bulletin No. 11:</p>     |



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|                                       | <p>that will be directly Controlled by SPC Power Corp. or (b) use an existing entity that is directly Controlled by SPC Power Corp., to undertake the Project.</p> <p>Please consider allowing the Winning Bidder to assign its rights and interest as a Winning Bidder in favor of a special purpose vehicle in which the Winning Bidder is a direct shareholder with Controlling interest. The assignee shall, in turn, be required to accede to and assume the rights and obligations of the Winning Bidder under the Power Supply Agreement.</p> <p><u>[NEW] “28.3. The Winning Bidder may assign its rights, interest and obligations under the Power Supply Agreement in favor of a juridical entity in which the Winning Bidder is a direct shareholder with Controlling interest (“SPV”). The SPV/assignee shall accede to and assume the rights and obligations of the Winning Bidder under the Power Supply Agreement.”</u><br/>[NEW] “ITB 2</p> <p>xx xx<br/>SPV is defined in Section 28.3.”</p> | <p>32.1 The Seller shall not assign his rights or obligations under this Contract, in whole or in part.</p> |
| ITB 3: Transaction Schedule; ITB 19.1 | <p>Considering that there are significant pieces of information on the Project that have not been provided (e.g. the schedules to the draft PSA), and to provide the Bidders sufficient time to prepare and finalize their respective Technical Proposals and Financial Proposals, SPC Power Corp. requests that OMECO</p>   | <p>The Deadline for Submission of Bids will be on January 08, 2020 as per Bid Bulletin No. 09.</p>          |





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|                                 | <p>consider moving the Deadline for Submission of Bids to sixty (60) days from the date the revised draft PSA, including the complete schedules and annexes thereto, are provided to the Bidders.</p> <p>“19.1 The Deadline for Submission of Bids will be <del>on or before November 6, 2019,</del> <u>Wednesday on a date that is sixty (60) days after OMECO’s disclosure of the revised Draft PSA including the complete schedules and annexes thereto</u> at Nine o'clock in the morning (9:00 AM) at OMECO Main Office, M.H. Del Pilar St., Barangay VI, San Jose, Occidental Mindoro.”</p> |  |
| PSA Schedules; PSA Section 30.2 | <p>OMECO to please provide the missing schedules, annexes, and attachments to the PSA, including:</p> <p>Schedule A – Computation of Total Fees<br/> Schedule B – Delivery Points<br/> Schedule C – Monitoring and Measuring the Energy Delivered<br/> Schedule D – Power Plant Specifications<br/> Schedule E – Dispatch Protocol<br/> Schedule F – Demand Requirement and Associated Energy<br/> Schedule G – Penalties on Power Plant Outages</p> <p>Please also provide annexes on</p> <p>(i) technical limits, if any</p> <p>(ii) sample calculation of Contract Price and other fees</p>    | <p>Schedules C, D and E will be prepared by the Parties prior to the signing of PSA.</p> <p>Schedules A, B, F and G are attached in this Bid Bulletin.</p> <p>(i) None</p> <p>(ii) Yes, we will provide.</p> |



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|   | <p>(iii) operating procedures,</p> <p>(iv) invoicing and payment procedures.</p> <p>Please also provide a draft or sample of the Risk Mitigation Agreement, which should be attached as an annex to the PSA.</p>  | <p>(iii) Operating procedures will be prepared by the Parties prior to the signing of PSA.</p> <p>(iv) For invoicing and payment procedures, kindly refer to Draft PSA, Section 15 Billing and Payment.</p> <p>In the event of interconnection to the grid, the Parties shall enter into a risk mitigation agreement based on rules and guidelines to be issued by ERC. For purposes of bidding, the Bidder may factor in or consider this risk in its bid.</p>   |
| <p>PSA Section 2:<br/>Definition of Terms</p> | <p>OMECO to please supply the definitions of the following terms:</p> <ol style="list-style-type: none"> <li>1. Fees (PSA 7.1);</li> <li>2. Commercial Operations Period (PSA 7.2(c) and (e));</li> <li>3. Start of Supply Delivery (PSA, 9.2.3);</li> <li>4. Replacement Capacity (PSA, 9.3.1, 9.3.2);</li> <li>5. Contracted Capacity (PSA, 11, Schedule F);</li> </ol> | <p>This is to be included in the PSA's Definition of Terms:</p> <ol style="list-style-type: none"> <li>1. Fees shall refer to Monthly total fees computed in Schedule A of the PSA.</li> <li>2. The Commercial Operations Period under Section 7.2(c) and (e) will be replaced by Contract Duration.</li> <li>3. Start of Supply Delivery shall be the COD for Interim Demand Requirement and New Generating Capacity.</li> <li>4. We will amend the provision of PSA Section 9.3.1 while the Section 9.3.2 will be deleted.</li> <li>5. Under Section 11.1, the demand requirements will be replaced by Contracted Capacity. The Contracted Capacity shall mean the</li> </ol> |



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|           | <p>6. Associated Energy (PSA, 11, Schedule F);</p> <p>7. Associated Charges (PSA, 12.3);</p> <p>8. Replacement Power (PSA, 13.3);</p> <p>9. Forced Outage (PSA, 13.3);</p> <p>10. Legitimate Monitoring Entities (PSA, 13.5);</p> <p>11. Party Certified Copy (PSA, 13.5);</p> <p>12. Capacity and Availability Declaration (PSA, 14.1)</p> | <p>Dependable Capacity/Guaranteed Dependable Capacity of thirty-nine megawatts (39 MW).</p> <p>6. Associated Energy refers to the projected energy requirements of the Buyer as shown in Schedule F of PSA.</p> <p>7. Associated Charges shall mean any new or increase in Governmental Charges, Taxes, fees, duties, assessments or other similar amounts.</p> <p>8. Replacement Power will be replaced by Replacement Capacity. Replacement Capacity is defined in 13.3 of the Draft PSA.</p> <p>9. Forced Outage refers to the failure of the Seller to deliver the contracted capacity due to unexpected breakdown of the generating unit.</p> <p>10. Legitimate Monitoring Entities-refers to DOE, ERC, NEA , and NPC</p> <p>11. Certified copy of Power Plant Outages report(AND FURNISHING THE OTHER PARTY OF A CERTIFIED COPY OF SUCH REPORT)</p> <p>12. Capability and availability Declaration refers to the data submitted by the Supplier for its scheduled generating unit. It includes the declaration of capability and availability, Generation Scheduling and Dispatch</p> |



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| PSA Section 2; PSA Section 8.2                         | <p>The PSA defines “Contract Duration” and “Term” to mean the 15-year term of the Agreement reckoned from COD. However, COD refers to two dates: (i) for the Interim Demand Requirement – March 25, 2020; and (ii) for the New Generating Capacity – March 25, 2022. OMECO to please confirm that Contract Duration / Term commences on COD for the Interim Demand Requirement. Also, OMECO to please consider using only either Contract Duration or Term for purposes of uniformity.</p> <p>However, if our request to remove the Interim Demand Requirement is granted, the 15-year term should commence from the COD for the New Generating Capacity.</p> <p>Section 2: [Contract Duration / Term] refers to the 15-year term of the Agreement reckoned from <u>the COD for the Interim Demand Requirement.</u></p> <p>....</p> <p>Section 8.2 [Contract Duration / Term.] This Agreement shall have a term of <del>(the “Term”)</del> of <del>the 15-year</del> <u>fifteen (15) years</u> reckoned from the Commercial Operations Date <u>for the Interim Demand Requirement.</u></p> | <p>Parameters.</p> <p>Contract Duration refers to the 15-year term of the Agreement reckoned from the COD of the Interim Demand Requirement.</p> <p>We will maintain the provision in Section 8.2 of the draft PSA.</p> |
| PSA Section 2: Definition of Terms; PSA Section 29.4.1 | OMECO to please align the definition of Extended Force Majeure in Section 2 with the definition in Section 29.4.1.   | Extended Force Majeure refers to the condition provided for in Section 29.4 of this Agreement in which an Event of Force Majeure or its effects and   |



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|  | <p>Extended Force Majeure refers to the condition provided for in Section 29.4 of this Agreement in which an Event of Force Majeure <u>or its effects and consequences</u> subsists <del>beyond the 90-day consultation period following a Temporary Force Majeure Period</del> <u>for a continuous period in excess of ninety (90) days.</u></p>   | <p>consequences subsists for a continuous period in excess of ninety (90) days.</p>   |
| <p>PSA Section 2: Definition of Terms</p>                                  | <p>The PSA defines "Government Authority" as "any agency, office, authority, unit, commission, department or political subdivision of the Republic of the Philippines, whether national, provincial, municipal or otherwise." OMECO to please consider including any "court, tribunal, or judicial or quasi-judicial body" within the definition of "Government Authority."</p> <p>Government Authority refers to any agency, office, authority, unit, commission, <u>judicial, quasi-judicial, or administrative body</u>, department or political subdivision of the Republic of the Philippines, whether national, provincial, municipal or otherwise.</p> | <p>We will maintain the definition.</p>   |
| <p>PSA Section 2: Definition of Terms</p>                                  | <p>The terms "Dispute Written Notification" and "Dispute Notification Date" are not used in the Agreement. We suggest that the definitions be deleted.</p>  | <p>To be deleted.</p>   |
| <p>PSA Section 6: Common Representations and Warranties of the Parties</p> | <p>OMECO to please consider the editorial comment and including an additional representation and warranty.</p> <p>6.2 Consents. The execution, delivery and performance by each Party of this Agreement has</p>   | <p>This provision refers only to the execution, delivery and each Party of this Agreement so we maintain the provision.</p> |



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|                    | <p>been duly approved and authorized by all necessary corporate, <u>legislative, administrative or other governmental action</u>,. <del>And</del> <u>and</u> does not require any approval or consent of any holder (of any trustee of any holder) of any indebtedness or other obligation of <u>such</u> Party of or of any other person or entity, except such approvals or consents which have been obtained or as set forth or expressly excepted herein. <u>will not contravene any provision of, or constitute a default under, any other agreement or instrument to which it is a party or by which it or its property may be bound.</u></p> <p><u>6.5 No Court Actions. There are no actions, suits or proceedings pending or, to the relevant Party's knowledge, threatened, against or affecting such Party before any court or administrative body or arbitral tribunal that might materially adversely affect (i) the validity, binding effect or enforceability of this Agreement, (ii) its ability to perform its obligations under this Agreement or (iii) the condition, financial or otherwise, business or operations of such Party.</u></p> | <p>The Bidders were provided entire records of the pending case with the court.</p> |
| PSA Section 7.2(a) | <p>OMECO to please clarify what it means by "...Seller shall not be held liable for any deficiency/ies arising from the requirements of any Government Consents, including but not limited to the environmental compliance certificate (ECC), which came about prior to the Seller's ownership, control and possession of the Site."</p>   | <p>Deleted.</p>   |



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| PSA Section 8.3 | <p>The Winning Bidder would only have very limited time (less than five (5) months as of today) within which it would have to secure all necessary facilities and assets (Project Site, generation equipment and facilities, connections to the delivery points, etc.), permits and approvals (Certificate of Compliance from the Energy Regulatory Commission, Environmental Compliance Certificate from the Department of Environment and Natural Resources, and other approvals from the DOE, ERC, DENR, local government units, etc.) as well as all necessary agreements (connection agreement, lease agreements and right of way, etc), in order to commence the delivery of the Contracted Capacity and Associated Energy for the Interim Demand Requirement.</p> <p>For this reason, we respectfully request that the supply for the Interim Demand Requirement be removed entirely, such that the Bidders are left with only one obligation, i.e, the supply from the New Generating Capacity, which is scheduled for March 25, 2022. The 15-year Contract Term should therefore be reckoned from the Commercial Operations Date for the New Generating Capacity. Otherwise, we believe that it would be legally and physically impossible for any entity to meet Commercial Operations Date for the Interim Demand Requirement on time.</p> | We will maintain the provision in Section 8.3 of the draft PSA. |



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| Start of Commercial Operations | <p>OMECO to please consider re-drafting Section 9 of the PSA (Sunset Clause and Delay Events) in accordance with the following principles:</p> <p><input type="checkbox"/> Delays in COD should be governed by Section 9, not 18 or 19. The Parties should avoid termination for delays in COD, since Seller would have already invested in the construction of the Power Plant.</p> <p><input type="checkbox"/> If it is an excused delay, COD should be extended. If the excused delay occurs prior to the COD for Interim Demand Requirement, Seller should not be obligated to produce Replacement Capacity and Associated Energy since it would presumably be physically or legally impossible to do so at this point. If the excused delay occurs prior to the COD for the New Generating Capacity, Seller should be made to deliver Replacement Capacity and Associated Energy, but at Interim Demand Requirement rates.</p> <p><input type="checkbox"/> If it is an unexcused delay occurring prior to COD for Interim Demand Requirement, Seller should be made to pay the difference between the Contract Price for the Interim Demand Requirement and the price at which Buyer procures Replacement Energy. If it is an unexcused delay occurring prior to COD for New Generating Capacity, Seller should provide Replacement Capacity and Associated Energy at the</p> |                                  |





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|           | <p>Contract Price for the New Generating Capacity.</p> <p><input type="checkbox"/> If the delay in COD for the New Generating Capacity is caused by the fault of the Buyer, and the Power Plant has already achieved mechanical completion, the Contract Capacity and Associated Energy shall be deemed fully available and the Buyer shall pay the Seller for such energy at Contract Price.</p> <p>[New Provisions]</p> <p>9. Delay in Commercial Operations Date</p> <p>9.1 If the Seller fails to commence delivery of the Contracted Capacity and Associated Energy</p> <p>(i) within 30 days following the Commercial Operations Date for the Interim Demand Requirement or</p> <p>(ii) within 180 days following the Commercial Operations Date for the New Generating Capacity ("Delay in COD"), the provisions of this Section 9 shall apply.</p> <p>...</p> <p>9.2.3 [deleted]</p> <p>...</p> <p>9.3 Consequences of Excused Delay Event</p> <p>9.3.1 If the Excused Delay Event occurs prior to the scheduled Commercial Operations Date for the Interim Demand Requirement or the New Generating Capacity, the</p> |                                  |



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|           | <p>COD for the Interim Demand Requirement or the New Generating Capacity, as the case may be, shall be extended, day for day, by the same period that any Excused Delay Event subsists or subsisted. If the COD for the Interim Demand Requirement or the New Generating Capacity, as the case may be, is extended, then the Seller shall notify the Buyer when the COD for the Interim Demand Requirement or the New Generating Capacity, as the case may be, shall occur.</p> <p>9.3.2 If the Excused Delay Event occurs prior to the scheduled Commercial Operations Date for the Interim Demand Requirement, the Seller shall not be obligated to supply Replacement Capacity and Associated Energy.</p> <p>If the Excused Delay Event occurs prior to the scheduled Commercial Operations Date for the New Generating Capacity, the Seller shall supply Replacement Capacity and Associated Energy at the Contract Price applicable for the Interim Demand Requirement.</p> <p>9.4 Unexcused Delay</p> <p>9.4.1 If the Commercial Operations Date for the Interim Demand Requirement does not occur by the scheduled Commercial Operations Date for the Interim Demand Requirement, the Seller shall, for each day of unexcused delay, pay to Buyer the difference between</p> | <p>Already considered in the Bid Bulletin No. 11.</p> <p>Unexcused Delay of the Seller shall be governed by Section 19.</p> |



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|           | <p>the Contract Price for the Interim Demand Requirement and the price at which Buyer purchased the replacement energy.</p> <p>9.4.2 If the Commercial Operations Date for the New Generating Capacity does not occur by the scheduled Commercial Operations Date for the New Generating Capacity, the Seller shall deliver and/or make available Replacement Capacity and Associated Energy to the Buyer at the Contract Price applicable for the New Generating Capacity.</p> <p>[New provision]</p> <p>9.5 Delay Due to Fault of the Buyer</p> <p>9.5.1 If the Seller has achieved Mechanical Completion, as evidenced by a certificate issued by the Technical Advisor, and any act or omission of the Buyer occurs that adversely impacts or prevents the start of the Commercial Operations Date for the New Generating Capacity, the Parties shall deem the Contract Capacity and Associated Energy fully available at the Delivery Point, and the Seller shall have the right to commence charging, and the Buyer shall pay, the Contract Price for such energy. To be inserted in Section 2 (Definition of Terms)</p> <p>Mechanical Completion means the stage in the construction of the Power Plant where the Seller has completed the installation of one or more generation units at the Power Plant in all material respects, and such unit(s) is/are ready to undergo testing and</p> | <p>We will not consider this provision.</p> |



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|                      | <p>commissioning.<br/>           Technical Advisor means an engineer with appropriate qualifications and experience to evaluate and administer the design, installation, and testing of the Power Plant, as jointly appointed by the Seller and the Buyer</p>   |   |
| PSA Section 10.2.4.1 | <p>The PSA states: "If the revised or amended Agreement is denied by the ERC for legal reason, the [P]arties shall adopt the recommendations of [the] ERC for the approval of [this Agreement]." OMECO to please clarify what a denial "for legal reason" means</p>   | <p>If it is denied or a conditional approval is issued by ERC for non-compliance with the law e.g. further reduction of contract duration based on franchise expiration, interconnection to the grid.</p>   |
| PSA Section 10.2.5   | <p>OMECO to please consider treating a downward adjustment of fees by the ERC below a specific threshold as an Event of Force Majeure, which would entitle the Parties to terminate the PSA and each Party would bear their own costs. Seller should not be bound to a 15-year contract for fees that may not be commercially feasible.</p> <p>OMECO to please confirm its verbal explanation that Capital Recovery Fees and Fixed Operations and Maintenance Fees, as approved by the ERC, will be paid by OMECO in whole on a monthly basis regardless of the actual energy off-take per month, and that this concept will be reflected in the computation of the monthly Contract Price in Schedule A. The relevant sections in the PSA should also be amended to clarify that monthly fixed Capital Recovery Fees and Fixed Operations and Maintenance Fees shall be paid</p> | <p>We cannot consider specific threshold for the downward adjustment of rate by the ERC because as regulator, it has the discretion to determine the reasonableness of the rate agreed by the Parties. We cannot treat a downward adjustment of rates by the ERC as a ground of termination of the PSA.</p> |



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|                  | <p>regardless of actual monthly energy offtake. OMECO to please also consider tying the Seller's obligation to deliver the Contracted Capacity and Associated Energy to OMECO's obligation to pay the Contract Price. Please see our suggested language in the next succeeding column.</p> <p>11.1.1 From the Start of COD until the Termination Date as specified in this contract Agreement, the Seller shall make available at the Delivery Point, and sell, to the Buyer, and the Buyer shall purchase from the Seller at the Contract Price set out in Schedule A as approved by the ERC, the Contracted Capacity and Associated Energy ("Contracted Quantities") made available thereat.</p> <p>11.1.2 The Buyer shall pay the fixed Capital Recovery Fees and Fixed Operations and Maintenance Fees per month in accordance with the computation in Schedule A.</p> <p>11.1.3 The Buyer shall pay the Variable Operation and Maintenance Fee and Fuel Fees based on the actual Associated Energy drawn from the Delivery Point in accordance with the computation in Schedule A.</p> | <p>11.1.1 From the Start of COD until the Termination Date as specified in this contract, the Seller shall make available at the Delivery Point, and sell, to the Buyer the Contracted Capacity and Associated Energy. The Buyer shall pay the Seller at the Contract Price set out in Schedule A as approved by the ERC, for the Contracted Capacity and Associated Energy ("Contracted Quantities") made available thereat.</p> <p>11.1.2 The Buyer shall pay the fixed Capital Recovery Fees and Fixed Operations and Maintenance Fees per month in accordance with the computation in Schedule A.</p> <p>11.1.3 The Buyer shall pay the Variable Operation and Maintenance Fee and Fuel Fees based on the Actual Energy drawn from the Delivery Point in accordance with the computation in Schedule A.</p> |
| PSA Section 12.4 | <p>OMECO to please clarify the mechanism and amount for payment of feedback of electricity. Is it based on TCGR or SAGR?</p>  | <p>The cost of SAGR plus Distribution rate of Industrial type of customer including taxes thereof shall be charged for Feedback Electricity.</p>  |



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| <p>PSA Section 13: Power Plant Outages; TOR 9: Outage Allowance</p> | <p>Under the PSA, there will be no allocation for outage allowance and Seller shall provide 24/7 power supply. OMECO to please consider granting a 15-day annual outage allowance to accommodate necessary repair and maintenance of the machineries in the Power Plant that will not have any backup or redundancy.</p> <p>If there is any excess beyond the 15 days per year outage allowance, the Seller shall be liable to provide replacement power at the Contract Price. If it cannot provide replacement power, the payment for CRF shall be reduced, except that the Seller should not be made liable for Buyer's foregone revenue, which is inconsistent with Section 20.1 of the PSA, which states that neither Party should be made liable for consequential losses, which includes loss or anticipated loss of profit/revenue.</p> <p>Section 13 Power Plant Outages</p> <p>13.1 During the [Contract Duration / Term], Seller shall be allowed outages of fifteen (15) days ("Outage Allowance") for every Contract Year. Seller shall not be required to deliver Replacement Capacity or Associated Energy during periods of outages within the Outage Allowance.</p> <p>13.2 In the event of outages in excess of the Outage Allowance for a given Contract Year, Seller</p> | <p>Please refer to amended TOR per Bid Bulletin No. 6 and Section 13.1 PSA.</p> <p>The Seller shall be allowed 16 hours annual scheduled outage allowance for each power plant. This scheduled outage allowance is for preventive maintenance of power plant substation including control system.</p> <p>Provisions of 13.2.1 and 13.2.2 which refer to penalties in case of power plant outages are not inconsistent with the provision of Section 20.1 which refers to the non-payment of consequential losses in case of events of default of the Parties.</p> |



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|   | shall deliver, and Buyer shall purchase, Replacement Capacity and Associated Energy at the Contract Price. Failure by the Seller to provide Replacement Capacity and Associated Energy shall result in the reduction of the Capital Recovery Fees in accordance with [Schedule G].<br>13.3. [Not used.]   |  |
| PSA Section 13.3                          | <p>OMECO to clarify whether it intends to receive, accept, and pay for Replacement Capacity and Associated Energy at the Contract Price.</p> <p>13.3 Replacement Power During Forced Outages. The Seller on its own account must provide Replacement Power when the generating unit is unavailable to produce power for a period or periods in excess of the Outage Allowance. The Buyer shall receive, accept, and pay for Replacement Capacity and Associated Energy at the Contract Price.</p> | Please refer to the provision of Section 13.3 of the Draft PSA.  |
| PSA Section 14.1                          | OMECO should likewise provide the Seller with its day-ahead nomination load schedule containing its hourly load requirements for the Next Schedule Day, not later than 9 am daily   | <p>The provision is already included in Section 14.1.</p> <p>The Seller shall provide the Buyer a Weekly Capability and Availability Declaration of its Generating units as listed in Schedule D. Any changes in the Capability and Availability Declaration, the Seller shall inform the Buyer day ahead not later than 9AM. Likewise, the Buyer will provide the Seller of its week-ahead load schedule containing its hourly load requirements.</p> |
| PSA Section 14.5.1;<br>PSA Section 14.5.2 | OMECO to please delete 14.5.1 and 14.5.2. We suggest that the   | We will maintain the provision as stated in Section 14.5   |



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|   | instances described therein should be more properly treated as events of Force Majeure. Please see our revisions to Section 29, which includes the instances described in 14.5.1 and 14.5.2.  |   |
| PSA Section 15.1.1,<br>PSA Section 15.1.2                       | OMECO to please consider deleting 15.1.1 and 15.1.2, since (i) 15.1.1 is already stated in our suggested 11.1.3, (ii) 15.1.2 is not correct, since the fixed fee components are not based on actual energy delivered, and (iii) the indexing of the fixed O&M fee may be more appropriately reflected in Schedule A.  | The provisions were already amended per Bid Bulletin No. 11.  |
| Period for Resolution of Billing Dispute;<br>Billing adjustment | <p>[Drafting revision] Section 17.3 of the PSA states:</p> <p>“Period for Resolution of Billing Disputes. Parties shall resolve the Billing Dispute within fifteen (15) days after Notice of Dispute has been given. Otherwise and with reference to Section 16.1, billing adjustments shall earn daily interest from the date of payment to date the Seller receives the notice of resolution at the rate of 6.5% per annum. However, prompt receipt of notice of bill adjustment through Credit Memorandum shall exempt the Seller from payment of such interest.”</p> <p>(1) OMECO to please consider the proposed revisions in the next succeeding column for purposes of clarity.</p> <p>(2) OMECO to please clarify the interest rate. While Section 17.3 refers to 6.5% interest per</p> | <p>This is accepted.</p> <p>17.3 Period for Resolution of Billing Disputes. Parties shall resolve the Billing Dispute within fifteen (15) days after Notice of Dispute has been given. If the parties are unable to settle the dispute within such period, either Party may, with due notice to the other Party, submit the Billing Dispute for final resolution to the ERC. The Parties agree that the ERC's resolution shall be final and binding between them.</p> <p>17.5 Billing Adjustment. In the event that the Parties shall agree, or the ERC shall determine, pursuant to Section 17.3, that any sum is owed by the Seller to the Buyer (including the refund of any amount paid under protest or subject of a Billing Dispute), the Seller shall pay such amount to the Buyer within [seven (7)</p> |





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|           | <p>annum, it also makes reference to Section 16.1, which has a 6% per annum interest.</p> <p><u>17.3 Period for Resolution of Billing Disputes. Parties shall resolve the Billing Dispute within fifteen (15) days after Notice of Dispute has been given. If the parties are unable to settle the dispute within such period, either Party may, with due notice to the other Party, submit the Billing Dispute for final resolution to the ERC. The Parties agree that the ERC's resolution shall be final and binding between them. and with reference to Section 16.1, billing adjustments shall earn daily interest from the date of payment to date the Seller receives the notice of resolution at the rate of 6.5% per annum. However, prompt receipt of notice of bill adjustment through Credit Memorandum shall exempt the Seller from payment of such interest. ...</u></p> <p><u>17.5 Amicable Resolution of Disputed Bills. The Parties shall amicably resolve any disputed Invoice by themselves. However, on the option of any of the Parties and with due notification, the matter may be submitted to the ERC for resolution if the Parties cannot resolve the dispute within fifteen (15) days after service of notice.</u></p> <p><u>17.5 Billing Adjustment. In the event that the Parties shall agree, or the ERC shall determine, pursuant to Section</u></p> | <p>days] from such agreement or final determination, with daily interest of 6.5% per annum accruing thereon from the date of payment until the Seller's payment of the award or settlement amount, or the issuance by the Seller of a Credit Memorandum in favor of the Buyer covering such amount.</p> |



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|                           | <p><u>17.3, that any sum is owed by the Seller to the Buyer (including the refund of any amount paid under protest or subject of a Billing Dispute), the Seller shall pay such amount to the Buyer within [seven (7) days] from such agreement or final determination, with daily interest of 6.5% per annum accruing thereon from the date of payment until the later of the Seller's payment of the award or settlement amount, or the issuance by the Seller of a Credit Memorandum in favor of the Buyer covering such amount.</u></p>  |   |
| PSA Section 18.1 and 18.3 | <p>Please add to the list of Buyer's Events of Default when a temporary or permanent injunction or other order is issued by a court or regulatory body of competent jurisdiction enjoining the performance by the parties of their obligations under the PSA or will render the PSA invalid, illegal or unenforceable, and such event is not cured within 90 days from receipt of notice from the Seller.</p> <p>18.1 Events listed herein are considered Buyer's events of default when such events result in an actual failure to accept the Contract Capacity and/or Associated Energy or to pay the Contract Price, except in the instances described in Section 18.3.6.</p> <p>[New provision]</p> <p>18.3.6 Notwithstanding any provision to the contrary under Section 29 or elsewhere in this</p> | We cannot accept this proposed provision. |



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|                  | <p>Agreement, when a temporary or permanent injunction or other order is issued by a court or regulatory body of competent jurisdiction enjoining the performance by the Buyer of its obligations under this Agreement or which renders the PSA invalid, illegal or unenforceable, and such event is not cured within ninety (90) days from receipt of notice from the Seller.</p>   |   |
| PSA Section 18.5 | <p>Under the current draft of the PSA, if Seller terminates the PSA due to Buyer's EOD, the Seller is only entitled to secure a replacement contract, which shall be "in lieu of all other damages to which Seller may be entitled in respect of such Buyer's Event of Default and the PSA...."</p> <p>(1) That the replacement contract is "in lieu of" other damages is contrary to Section 20.3.1, which provides that a non-defaulting Party is entitled to file an action with the ERC or the courts to recover damages, including all costs and expenses reasonably incurred in the exercise of its remedy subject to Sections 19.5 (Effect of Termination due to Seller's EOD) and 20.1 (Consequential Losses).</p> <p>(2) Seller should be entitled to liquidated damages for Buyer's EOD, in the same manner that Buyer is entitled to liquidated damages in the event of Seller's EOD. Please refer to our suggested changes in the next column.</p> | We have provided the provisions on liquidated damages for Buyer's event of default. |



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|           | <p><u>18.5. Effect of Termination Due to Buyer's Event of Defaults. In lieu of addition to its right to recover all other any damages to which it may be entitled in respect of such Buyer Event of Default and this Agreement, the Seller shall be entitled to the following reliefs, which Seller may exercise at its sole discretion:</u></p> <p><u>18.5.1 Replacement Contract. The Seller and/or Buyer may secure a contract or series of contracts, if applicable and in accordance with the Risk Mitigation Agreement.</u></p> <p><u>18.5.2 Liquidated Damages. Within [30] days from the Termination Date, the Buyer shall pay to the Seller liquidated damages in the following amounts:</u></p> <p><u>(a) If the Buyer's Event of Default occurred prior to the Commercial Operations Date for the New Generating Capacity, all costs and expenses reasonably incurred by the Seller for the construction and development of the Power Plant, including all interests and fees paid to the Seller's lenders; and</u></p> <p><u>(b) If the Event of Default occurred after the Commercial Operations Date for the New Generating Capacity, the net present value of the Capital Recovery Fees payable pursuant to this Agreement for the remaining term of this Agreement at a discount rate</u></p> |                                  |



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|                      | <u>equivalent to the prevailing [91-Day Treasury Bill Rate of the Bangko Sentral ng Pilipinas].</u>  |  |
| PSA Section 19.5.3.2 | <p>OMECO to please delete 19.5.3.2, which includes Buyer's foregone revenue in the calculation for liquidated damages. This is contrary to Section 20.1, which states that neither Party shall be made liable for consequential losses (including loss or anticipated loss of profit or revenue) suffered by any Party notwithstanding any Event of Default by the other party. Please also consider the clarification in Section 19.5.3.1.</p> <p>19.5.3.1 If the Replacement Contract results in a higher price than the Buyer would have paid under this Agreement, the Seller shall pay the difference between the Replacement Contract price and the Contract Price under this Agreement for the remaining term of this Agreement had it not been terminated and for not more than the Contracted Quantities.</p> | For clarity, we will amend the provision.              |
| PSA Section 21.2     | OMECO to please clarify the procedure for the suspension of the Security Deposit requirement   | We will amend the provision.                           |
| PSA Section 23.2     | OMECO to please consider that any dispute that is not amicably settled by the Parties and which is not vested by law to be within the exclusive and original jurisdiction of the ERC to resolve should be referred to arbitration before the Philippine Dispute Resolution Center, Inc. (PDRCI) under the PDRCI arbitration rules.   | We will maintain the provision.                        |
| PSA Section 27.2     | OMECO to please consider allowing the Seller to charge such  | Inclusion of the proposed provision is not acceptable. |



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|                  | <p>additional charges as will allow it to preserve its economic return on its investment.</p> <p>27.2.3 An amount that will preserve the Seller's economic return on its investment had the Change in Law not occurred.</p>  |   |
| PSA Section 29.1 | <p>We propose that sections 14.5.1 and 14.5.2 of the current draft of the PSA be listed as Events of Force Majeure</p> <p>29.1 Events of Force Majeure. Events of Force Majeure shall be:</p> <p>...</p> <p><u>29.1.3 Transmission failure that results to the operation of the Power Plant in "island mode" with limited available demand.</u></p> <p><u>29.1.4 The Buyer fails to accept deliveries of the Contract Capacity and Associated Energy upon the instructions from or omissions of Transmission Owner or the System Operator (unless due to an act or omission of a Party of a Party that is not otherwise excused under this Agreement).</u></p> | We will maintain the provision.   |
| Assignability    | <p>OMECO to please (i) provided a provision on assignment of the PSA and (ii) allow Seller to assign its rights under the PSA for purposes of financing.</p> <p>[New provision.]</p> <p>[ ] Assignment. Neither Party may assign this Agreement, in whole or part, without the prior written consent of the other Party (which consent shall not be</p>  | <p>No assignability.</p> <p>Section 32 Assignment of Rights</p> <p>32.1 The Seller shall not assign his rights or obligations under this Contract, in whole or in part.</p> |



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|               | unreasonably withheld); provided, however, that Seller may, with prior written consent of Buyer (which consent shall not be unreasonably withheld), transfer, sell, pledge, encumber or assign this Agreement, and its rights and interests hereunder, including, but not limited to, the accounts, revenues or proceeds under this Agreement to or for the benefit of the lenders in connection with any financing for the construction of the Power Plant or permanent or term financing or refinancing of the Power Plant. |   |
| NEA Guarantee | OMEKO to please consider applying for, and securing a guarantee from the National Electrification Administration (NEA), which shall act as guarantor for the Buyer.   | Kindly refer to Section 21. Security Deposit  |
| Due Diligence | Please provide material information on pending litigation, arbitration, administrative proceedings, governmental investigations or inquiries concerning OMEKO. Particularly, please provide relevant information on the dispute between Emerging Power, Inc. and OMEKO, including the status and probable resolution thereof.   | The information is available at the TPBAC Secretariat   |
| ITB 1.9       | <p>Bid Bulletin No. 8 (page 3 of 15)<br/>The power plant shall have spinning reserve readily available to accept load and shall have capacity equivalent to one largest unit intended for cold reserve (N - 1).</p> <p>*NOTE:<br/>In the 2nd Pre-Bid conference,</p>  | <p>Spinning reserve shall be in San Jose Power Plant only.</p> <p>Mamburao &amp; Sablayan have no spinning reserve.</p> |

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|  | <p>you mentioned that the spinning reserve is intended to cover the unexpected demand (minimum 50kw per site and maximum 1MW). Moreover, each site shall have the required spinning reserve. Please confirm.</p>   |  |
| <p>ITB Page 4 of 53 - Annex A-3<br/>Bid Bulletin No. 5<br/>page 20 of 36</p> | <p>To ensure accuracy in the billing and in the interest of transparency, we suggest that there be a separate tariff for the conventional and renewable technology.</p> <p>Since there will be only one power provider for the three power plant locations, having a blended rate for the variable component (Variable Operation and Maintenance, Fuel fee and Lube Fee) will not be feasible for this kind of set-up. With the varying capacity requirements of each location, the provider may probably install a combination of conventional technologies, i.e bunker (for base and regulation) and diesel (for peaking and reserve) technologies. Blending the fixed portion tariff (capacity fee and fixed O&amp;M fees) may be doable but not for the variable component. The fuel rates of these technologies are different, as well as their repairs and maintenance costs. The variable components of the blended tariff for the different conventional technologies will not make the fuel and other variable costs "pass-through", which is contrary to the ERC's policy.</p> <p>From the 2nd pre-bid conference, OMECO TPBAC confirmed that the blended cost</p> | <p>Separate tariff for conventional and renewable energy is shown in Schedule A of the Draft PSA.</p> <p>Blended rate will be used in determining the LCB.</p> |





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|                                      | <p>will only be for determining the lowest calculated bid. However, for ERC approval, separate tariffs for each technology will be applied.</p> <p>It should be clear in the PSA that there is no blending of rates.</p>   |  |
| ITB Page 4 of 53 - Annex A-3         | Is the RE requirement already included in the 39MW or will it be on top of the 39MW requirement?   | It is included in 39MW.  |
| ITB Page 15 of 53 - Item 12.5        | <p>What is considered a “minor deviation” that could affect the substance of the bid?</p> <p>OMEKO:</p> <p>For example, arithmetical corrections.</p> <p>QUESTION:</p> <p>If computation or arithmetical errors will be allowed, it is then important to see the individual components of the bid and not just the total.</p> <p>Otherwise, we cannot verify whether there really was a computational or arithmetical error.</p> | <p>ITB 17.5</p> <p>The electronic copy of the detailed computation of the Financial Proposal and detailed computation of the Levelized Cost of Electricity (LCOE) shall be password-protected to avoid inadvertent modification of the Bid. The two (2) USB flash drives shall be included in the Envelope 3 - Financial Proposal. The Bidder shall be responsible to keep the password until requested during the Bid Opening. The TPBAC shall not be accountable for the electronic file that may be corrupted during bid opening.</p> |
| ITB Page 15 of 53 - Item 12.1.3.b ii | What would be the document required to prove that the bidder could finance the project?  | Commitment letters from investors and partners, Bank Certification of Cash Availability, Audited Financial Statement and Cash Flow Statement of the Bidder, Letter guarantee from a Lending Institution.   |
| TOR Page 3 of 4 - Item 18            | Distribution Utility shall have the right to Dispatch the Power Plant up to its Dependable Capacity following the dispatch protocol in accordance with the economic merit order.   | We will maintain the provision.  |



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|   | <p>To avoid violating PSA obligations with NPPs, we propose basing the dispatch protocol on order of entry and not economic merit order.<br/> OMECO (Bid Bulletin No. 5 page 12 of 36):</p> <p>The Buyer will dispatch based on the economic merit order.</p> <p>QUESTION:</p> <p>The economic merit order of dispatch is only acceptable if the capital recovery fee tariff and fixed O&amp;M fee is fixed on a peso per kilowatt per month. Otherwise (if VOM and Fuel is on a P/kwh basis or energy based), there will be an impairment of contract if you follow the economic merit order of dispatch.</p> |  |
| <p>Information Memorandum Page 15 of 26 Paragraph 4.3 – Capacity and Location of Power Plants</p> | <p>Are there industrial zones in Occidental Mindoro mainland where we can build power plants?</p>  | <p>We will provide the General Land Use Map of San Jose, Sablayan and Mamburao to the Final Instruction to Bidders as Annexes.</p> |
| <p>Terms of Reference</p>   | <p>May we request that the grid impact study (“GIS”) be provided prior to the submission of the bids? This way, the NPPs will a clear understanding of the requirements (i.e. powerplant locations, powerplant size, tapping point, size of transformers, and location of spinning reserve).</p> <p>OMECO:</p> <p>Pre-GIS is available during due diligence while the Post-GIS will</p>  | <p>Yes, it is already available at the TPBAC Secretariat.</p>  |



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|   | <p>be conducted after having the winning Bidder.</p> <p>Per Bid Bulletin 08, revised ITB 9.2<br/>Cost for Grid Impact Study (GIS) which is required for interconnection shall be in the account of the Winning Bidder amounting to Eight Hundred Thousand Pesos (PhP 800,000.00). However, OMECO shall undertake the conduct of the GIS.</p> <p>QUESTIONS:</p> <p>What are the contents of the Pre-GIS? Does this mean preliminary studies short of a GIS or a previously conducted GIS?</p> <p>If we will only base our bid proposals on the Pre-GIS, does this mean that when the GIS is already available, there is a chance that the technical requirements will still change?</p> <p>To fix the technical requirements, we reiterate our suggestions that a GIS be conducted before the submission of bids.</p> | <p>The following are the contents of the Pre-GIS:</p> <ol style="list-style-type: none"> <li>1. Load flow analysis for power quality;</li> <li>2. Short circuit analysis for safety;</li> <li>3. Transient Stability Analysis; and</li> <li>4. Frequency Assessment.</li> </ol> <p>The main objective of the Pre-GIS is to quantify the adverse impact, if any, on the transmission network if the new generating facilities will be constructed and connected.</p> |
| Discussion on Bid Documents during Pre Bid Conference | It was mentioned during the pre-bid conference that NPC proposed to construct a switching substation at Sablayan. May we know if there are contingency plans in case the NPPs power plant is constructed   | Per TPBAC meeting with NPC dated October 25, 2019 they committed that the switching station in Sablayan will be completed prior to the COD of the new generating capacity in 2022.  |



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|                               | ahead of NPC's Sablayan substation? Where will we tap on the 69KV line in such case?  | OMEACO and the Winning Bidder will seek the approval of the other connection points option from NPC if in case the switching station at Sablayan is not yet constructed or completed prior to the COD of the New Generating Capacity. |
| Terms of Reference Item No. 2 | <p>In the Terms of Reference, you mentioned that you will allow "open technology." However, given the two-year interim period and the new power generation commercial operations date three years from the signing, this will effectively limit the technologies that may be used considering the time needed to set up technology-specific power plants. Moreover, only oil-based technologies can provide all three modes (base, peaking, and regulating).</p> <p>To make other technologies feasible for new power generation, we suggest extending the interim period for an additional three years and moving the new power generation commercial operations date to 2025.</p> | We will maintain the provision.   |
| Instruction to Bidders        | <p>In the case of Bayan Muna vs. ERC seeks to invalidate the competitive selection process (CSP) of DUs including OMEACO because of the alleged irregularities in the composition of the TPBAC. Thus, the OMEACO CSP is at risk of being invalidated.</p> <p>What will happen to the NPP and its investments if the PSA is rendered void by the Supreme Court? Will the seller be</p>   | <p>OMEACO followed the DOE Circular DC No. 2018-02-0003 regarding the selection and creation of TPBAC.</p> <p>No, we will not reimburse.</p>  |



| REFERENCE                        | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |
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|                                  | reimbursed of all the costs incurred in such case?  |   |
| Page 15 of 36 Bid Bulletin No. 4 | <p>It was mentioned during the pre-bid conference that NPC proposed to construct a switching substation at Sablayan. May we know if there are contingency plans in case the NPPs power plant is constructed ahead of the NPC's Sablayan substation? Where will we tap on the 69KV in case?</p> <p>OMEKO:</p> <p>The 69kV line in the OMEKO grid was already completed. The planned switching station at Sablayan is expected to complete prior to the COD of the New Generating Capacity where the Bidder is required to connect.</p> <p>QUESTION:</p> <p>We reiterate that there be a contingency plan in the event that Sablayan substation is not completed.</p> | <p>Per TPBAC meeting with NPC dated October 25, 2019 they committed that the switching station in Sablayan will be completed prior to the COD of the new generating capacity in 2022.</p> <p>OMEKO and the Winning Bidder will seek the approval of the other connection points option from NPC if in case the switching station at Sablayan is not yet constructed or completed prior to the COD of the New Generating Capacity.</p>                         |
| PSA                              | <p>OMEKO:</p> <p>We will have to get the approval of the ERC prior to the supply for the new plant.</p> <p>QUESTION:</p> <p>Does this mean that the COD will be postponed if the PSA is not approved before the intended COD?</p>   | <p>9.2 Excused Delay Events. The following shall constitute Excused Delay Events in case the Seller had experienced a delay in achieving the Start of the Commercial Operation Dates, provided that the delay is not caused by any act, omission or fault of the Seller or any of its employees, partners, agents, including its contractors and suppliers, to wit:</p> <p>9.2.1 non-issuance of the ERC Provisional or Final Approval of this Agreement;</p> |



| REFERENCE          | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS   |
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|                    |   | <p>Section 9.3.1 of Draft PSA<br/>In case of excused delay in COD of the new generating capacity, the seller may extend the interim supply for a maximum period of four (4) months from the scheduled COD of the New Generating Capacity based on the approved rate of interim and shall be subject to the provision of Section 19.</p>  |
| TOR No. 26         | <p>Considering the time constraints, the bidders find it very difficult to secure a letter committing to sell properties that will be used for the power plant locations. For this reason, we suggest that this requirement be dispensed with for purposes of the bid submission.</p>   | <p>No, we will maintain the provision</p>  |
| PSA Section 11.1.3 | <p>What is the purpose of translating the rate under the PSA to Peso per kilowatt-hour?</p> <p>Kindly clarify the statement “to determine the TCGR for the computation of Peso per kilowatt-hour”.</p> <p>What's the point of determining TCGR if the composition of the TCGR has been already been approved by the commission?</p> <p>We reiterate our suggestion for the rephrasing of the provision “the Seller shall charge the Contracted Capacity Fees based on the contracted capacity not on the actual available capacity.</p> | <p>We will amend the provisions of Section 11.1.1; 11.1.2; and 11.1.3.</p> <p>11.1.1 From the Start of COD until the Termination Date as specified in this contract, the Seller shall make available at the Delivery Point, and sell, to the Buyer the Contracted Capacity and Associated Energy. The Buyer shall pay the Seller at the Contract Price set out in Schedule A as approved by the ERC, for the Contracted Capacity and Associated Energy (“Contracted Quantities”) made available thereat.</p> <p>11.1.2 The Buyer shall pay the fixed Capital Recovery Fees and Fixed Operations and Maintenance Fees per month in accordance with the computation in Schedule A.</p> <p>11.1.3 The Buyer shall pay the</p> |



| REFERENCE  | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS   |
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|  |   | Variable Operation and Maintenance Fee and Fuel Fees based on the actual Energy drawn from the Delivery Point in accordance with the computation in Schedule A.  |
| PSA Section 11.1.4                               | <p>OMECO:</p> <p>The Parties shall share the risks and therefore negotiate the necessary amendments in this contract in the event of interconnection of Occidental Mindoro to Mindoro Grid and/or Luzon Grid, implementation or RCOA, WESM.</p> <p>QUESTION:</p> <p>If OMECO insists on maintaining the provision, it must, at the very least, provide recovery mechanisms through an ancillary contract so that the NPP's business will remain sustainable throughout.</p>   | In the event of interconnection to the grid, the Parties shall enter into a risk mitigation agreement based on rules and guidelines to be issued by ERC. For purposes of bidding, the Bidder may factor in or consider this risk in its bid. |
| TOR No. 6<br>Bid Bulletin No. 4<br>Page 22 of 36 | <p>Bidder's Question:</p> <p>In relation to #6, what will happen if ERC does not approve the PSA before the target COD of March 25, 2020 but we have already installed our new plant.</p> <p>OMECO:</p> <p>We will have to get the approval of the ERC prior to the supply for the new plant.</p> <p>QUESTION/COMMENT:</p> <p>We suggest moving the Interim COD to a fixed period after ERC PSA approval.</p> <p>To begin operations, the NPP needs to secure an ECC, endorsements, approval for land conversion for agricultural land,</p> | The period from the signing of the PSA on March 13, 2020 to the scheduled COD of the Interim Demand Requirement of until November 25, 2020 is sufficient for the installation of the interim power plant.                                    |



| REFERENCE | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS |
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|           | <p>business permits, among many others.</p> <p>The ECC alone for a 24MW power plant may take six (6) months from PSA signing. For a project this size, baseline studies will be required, which will take time to produce. If the PSA signing is January, the earliest the ECC will be available is July. Thus, the PSA can only be filed for ERC approval in July. From the ERC approval, a provisional authority can be issued only after seventy-five (75) days or on October 2020.</p> <p>If the COD is fixed at May 2020 and the provisional authority will only be issued October 2020, the NPP will already be incurring cost for the rental units, which it cannot recover.</p> <p>This will also necessarily place the NPP in delay.</p> <p>To avoid this situation, we suggest that the interim COD be a fixed number of days from PSA approval.</p> <p>This will also give the NPP an opportunity to file for motion for reconsideration in case the ERC-approved rates are not favorable to it.</p> <p>In addition, no financial institution will lend money to finance the project unless there's an approved PSA.</p> <p>The EPNS cannot be applied ahead of the ERC PSA approval. It also takes time to secure a certificate of EPNS and to gather the documentary</p> |                                  |





| REFERENCE   | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
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|   | requirements/attachments for it. From experience, it may take about three (3) months.  |  |
| ITB Clause 17.5<br>Format and Signing<br>of Bid           | Can we just submit the PDF alone?  | No. The Bidder shall submit an electronic copy of the detailed computation of the Financial Proposal and detailed computation of the Levelized Cost of Electricity (LCOE) in excel format.                         |
| PSA Section 11.1.2<br>Page 29 of 36<br>Bid Bulletin No. 4 | What's the point of determining TCGR if the composition of the TCGR has been already been approved by the commission?  | We will amend the provision.<br><br>Amendment:<br>11.1.2 The Buyer shall pay the fixed Capital Recovery Fees and Fixed Operations and Maintenance Fees per month in accordance with the computation in Schedule A. |
| PSA Section<br>11.2.2                                     | <p>“The Parties hereby agree to modify or adjust the level of Contracted Quantities upon the activation of or attainment of thresholds for the compliance of Retail Competition and Open Access Rules, in such a manner that the business intensions of all other electricity suppliers of and the Buyer shall not be impaired.”</p> <p>If there will be two or more power providers, how will the reduction in the Buyer’s capacity and energy requirements be shared by the power providers?<br/>In the future and after succeeding CSPs, the winning bidder will not be the only power provider. In such case, how will OMECO manage the reduction in capacity and energy requirements? It will only be fair that the order of entry be respected so that the first power provider will be prioritized.</p> | In the event of interconnection to the grid, the Parties shall enter into a risk mitigation agreement based on rules and guidelines to be issued by ERC.   |



| REFERENCE  | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
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| ITB Annex G-1, 1.2.2<br>Page 14 of 15<br>Bid Bulletin No. 8                  | <p>“Net Dispatchable Capacity shall be 39MW to provide base, peaking, ancillary and reserve from May 25, 2022 until the end of the contract duration.”</p> <p>During the 2nd Pre-bid conference, Chairman Celso Garcia stated that the Net Dispatchable Capacity is 36MW. The excess 3MW will be allotted for cold reserve (N-1).</p> <p>Which will prevail?</p> | The Dispatchable Capacity is 36 Megawatts for the base, peaking, ancillary while the 3 Megawatts will provide the reserve capacity which shall be available anytime for dispatching. |
| ITB Annex G<br>Page 14 of 15<br>Bid Bulletin No. 8                           | For the interim requirement, what is the reason for splitting the San Jose requirements into two (2) site locations? The additional site means additional capital, which will ultimately make the costs higher. This will not be beneficial for the end-consumers.   | The Buyer has no load end substation at Pulang Lupa.   |
| ITB Clause 25.5<br>Page 12 of 15   | <p>“In case of tie Bids, that is, if multiple Bidders have the same calculated Levelized Cost, the bidder with the highest offered Prompt Payment Discount (PPD) shall be used in breaking the tie. ITB.”</p> <p>QUESTION:<br/>How will the offered PPD be declared? Will this form part of the bid?</p>   | No, PPD shall not form part of the bid. This will be declared only by the Bidder in case of tie.   |
| Bid Bulletin o8<br>Revised ITB<br>Annex C Additional<br>Financial Parameters | Is this their maximum fuel allowance up to 3% escalation only?   | 3% escalation of fuel cost, for purposes of evaluation.  |
|  | Regarding your concurrence to our proposal to include the surplus power from Oriental Mindoro in the energy mix thru Metering Agreement as long as the ERC approved power rate will result to the reduction of TCGR  | We will maintain the parameters in Annex C of the ITB.   |



| REFERENCE | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS  |
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|           | <p>for OMECO, we wish to clarify that the cost of fuel and lube oil (from the generation of bunker fired plant) shall be based on month of November 2019 as delivered price at Calapan, Oriental Mindoro to be substantiated with supporting documents that will accompany the bid.</p>  |   |
|           | <p>To make it official and include in the OMECO's Bid Bulletin that the winning Bidder cannot use as an excuse on not meeting the required COD in the event of its failure to secure ECC due to opposition of host communities and other stake holders.</p>  | <p>9.3.1 The period of delay shall not affect the end of contract, (i.e. non-issuance of ERC provisional approval, occurrence of Event of Default, etc.). However, should the circumstances warrant and upon approval of the ERC the Buyer shall be allowed to extend the termination date of this contract.</p> <p>In case of excused delay in COD of the new generating capacity, the seller may extend the interim supply for a maximum period of four (4) months from the scheduled COD of the New Generating Capacity based on the approved rate of interim and shall be subject to the provision of Section 19.</p> |
|           | <p>3. We could use our own load dispatch model as propriety in arriving to our bid price in case OMECO will not agree to our proposed format for Bid price Schedule. But again, we hope you will reconsider which will make possible the determination of the lowest calculated bid right after the opening of all commercial bid proposals, Also as on offshoot question of 2nd pre-bid conference, a common load</p> | <p>The Bidder shall declare their heat rate and fuel economy caps.</p>  |



| <b>REFERENCE</b>   | <b>REQUEST FOR CLARIFICATIONS/<br/>QUESTIONS/<br/>SUGGESTIONS</b>  | <b>TPBAC ANSWERS AND CLARIFICATIONS</b>  |
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|                    | dispatch model and plant factor among plants likewise will help guide all bidders on determination of its heat rate and fuel economy caps which shall form part of the PSA and filing for Provisional Authority to the ERC. If OMECO will maintain its format, may request at least a revision of Bid Price Schedule that will isolate the respective values of heat rates or fuel economy caps including lube oil economy caps. |  |
|                    | The proposed TCGRs for all permanent plants and other power sources shall be in full effect whether they are completed earlier, on schedule or have been delayed beyond the maximum required 2 year period of COD.   | We will follow the period for Interim Demand Requirement and the New Generating Capacity. However, we can seek the approval of the ERC should there be an earlier commission of the New Generating Capacity. |
|                    | The estimated amount of liquidated damages to be imposed by Buyer to Seller in terms of foregone energy.   | Please refer to Schedule G of the Draft PSA for the computation.   |
|                    | On what period of time beyond the required completion period that the Seller can be classified to be in the state of default from its failure to put up the required capacity?   | Please refer to Section 9 of the Draft PSA.  |
|                    | Per our projection and own load dispatch model, the plant capacity at Sablayan Area at least for the first 4 years are purely on emergency operation only. For OMECO's consideration therefore is the withholding of installation of 69kv substation in this area during the first 2 years of the power contract.  | During the Interim period the 4MW capacity at Sablayan area is allowed to inject voltage or deliver at 13.2 kV only.   |
| Bid Bulletin No. 8 | Since the draft PSA states that the parties will execute a risk mitigation agreement, may we request that the working terms or   | In the event of interconnection to the grid, the Parties shall enter into a risk mitigation agreement based on rules and   |



| REFERENCE   | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
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|             | <p>at least the comprehensive risk management provisions be already identified in order for the bidders to be informed on what they can expect under the circumstances stated under Section 30.2 of the draft Power Supply Agreement (PSA) especially on the impending interconnection of the Mindoro Island Grid to the Luzon/Visayas Grid</p>                                      | <p>guidelines to be issued by ERC. For purposes of bidding, the Bidder may factor in or consider this risk in its bid.</p>   |
|             | <p>The contract duration is 15 years. Will there be: (a) provisions in the PSA for term extension?; or (b) a possible sale and transfer (buy-out) of the generation facility to OMECO; and/or (c) a possible substitution of the New Power Provider (NPP)</p>  | <p>None. The term is for fifteen years contract period only.</p>   |
|             | <p>It was also mentioned during such pre-bid conference that TOR 17 on Connection Point, as modified by Bid Bulletin 6, states that the Power Plant for the New Generating Capacity shall be connected only to 69kv National Power Commission (NPC) Transmission Line. Given this situation, what assurance do the bidders have that NPC will execute an agreement with the NPP?</p> | <p>In compliance with Philippine Small Grid Guidelines, the transmission owner shall allow the NPP to use the facility provided there is a Connection Agreement between NPC and NPP.</p>   |
| ITB Annex E | <p>It is noted that the interim demand requirement changes/ increases yearly. May we know how was the monthly energy demand derived? Is it computed using the weighted average of the 2-year interim requirement? This is to make our calculation of offered rate flexible to that given monthly energy requirement</p>  | <p>The Monthly energy used in Annex E is the average of the Two (2) years energy requirements for the Interim period and the average of the Thirteen (13) years energy requirements for the New Generating Capacity.</p> <p>Please refer to the attached revised Annex E of the ITB.</p> |



| REFERENCE   | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS           |
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| ITB Annex C | Financial Parameters set by OMECO shows the fuel price to be used. May we know if the said prices are assumed as VAT Include or VAT Excluded?   | It is VAT Inclusive.                       |
| ITB 5.1     | <p>With regards to ITB 5.1 and as discussed earlier with Mr Celso Garcia, TPBAC Chairman, we would like to request shortening the five (5) years requirement for eligibility to three (3) years for the following reasons:</p> <ol style="list-style-type: none"> <li>1. This will effectively qualify renewable energy developers, in particular those who have developed solar power plants.</li> <li>2. This will further enhance the spirit of open technology which the current CSP activity is espousing in the TOR</li> <li>3. Renewables will ease OMECO's RPS compliance, aside from obvious benefits such as zero to minimal fuel costs</li> </ol> <p>Furthermore solar development proceeds directly to operating contracts instead of the usual service contracts for other technologies, thereby its deployment is expedited</p> <p>xxx has been at the forefront of solar technologies such as energy storage solutions, smart metering and floating solar aside from utility-scale photovoltaics. We believe that including renewable energy players, solar developers in particular, will bring you more and better options in executing this CSP</p> | We will maintain the provision in ITB 5.1. |



| REFERENCE                               | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS  |
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| Bid Bulletin 6. p1 of 3                 | <p>Changed load requirement of SAMARICA to 24MW. Revised the interim demand requirements</p> <p>We would like to confirm if there will be a revised 8760 Load Profile.</p>   | No.   |
| Bid Bulletin 6. p2 of 3                 | <p>Provided 16 hours of scheduled outage per year for each power plant.</p> <p>We would like to confirm your reference for coming up to 16 hours requirement.</p>  | It is based on the previous conducted maintenance of substations.   |
| ITB 12.1.1g<br>Bid Bulletin 8 p6 of 43  | <p>The bidder must submit a notarized Certification from its client DU that the bidder or its affiliates or consortium/ partnership has no record of unsatisfactory performance. Unsatisfactory performance needs the following: In relation to any PSC that has been implemented for at least 5 years prior to Bid Submission Deadline...</p> <p>There are RE companies supplying to transmission instead of DU. Will it be considered?</p> <p>We would also like to clarify if the 5 years means implemented within the 5 years prior to bid submission, or if the if the PSC has a duration of 5 year or more</p> | <p>No, certification from the DU only.</p> <p>Must be Implemented for at least 5 years prior to bid submission.</p> |
| ITB 12.1.2<br>Bid Bulletin 7 p24/ of 29 | <p>The bidder who will offer renewable energy must submit a technical study to support the feasibility of the proposal</p> <p>What should be the format and content of the study?</p>  | A Technical study that will prove it is feasible, reliable and sustainable source of energy in                      |



| REFERENCE                      | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |
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|                                | <p>Should it be part of the technical proposal or technical documentation folder?</p> <p>Do we need 3rd party certification for the study?</p> <p>Should it also be a certified true copy?</p>  | <p>the coverage area.</p> <p>Yes.</p> <p>The Bidder may at his own discretion.</p> <p>Yes.</p>  |
| ITB 5.1                        | <p>Power supplier or its affiliate or consortium engaged in Power Generation with at least 5 years of experience that owns or operates existing and operational power plant, employing tested and proven technology in the Philippines with at least 5 MW installed capacity and without undelivered supply contracts with OMECO</p> <p>Most RE companies engaged in power generation have just recently started. Can the 5 years be reduced to 2 to 3 years in order to give opportunity to most RE companies that would like to be included on the selection since one of the directives discussed in the Mindoro Power Summit is integrating more RE technology, hybridization, and not just rely on oil</p> | We will maintain the provision in ITB 5.1.  |
| ITB 5.2<br>Bid Bulletin 7 p 13 | <p>-Using the qualification of the affiliate if there is a joint venture or consortium</p> <p>-Based on Eligibility requirements, either the power supplier or its affiliate may only be eligible to bid. However, in the case they form JV or consortium, their audited financial statements may be combined for</p>   | <p>If the holding company is the bidder, the holding company shall submit its qualification.</p> <p>If the affiliate/subsidiary is the bidder, the affiliate/subsidiary shall submit its qualification.</p> |





| REFERENCE | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
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|           | <p>the computation of net worth</p> <p>Why is the qualification of 100% owned subsidiary's credentials when they are part of a holding company or the lead bidder?</p> <p>Why is there a need for Joint venture or consortium when the affiliate is directly connected to the mother company?</p> <p>Is there a possibility to loosen the requirement, allowing the entity to be the lead bidder in support of its affiliates without the need for a JV or consortium.</p>   | <p>There is a need for a Joint Venture or consortium or an agreement despite the fact that the affiliate is connected to the mother company because they are separate entities.</p> <p>No.</p>                   |
| COD       | <p>Well Sir, offcourse we understand your need for electricity pero realistic po ba 'yong COD na 'yan kasi s'yempre we'd also like to comply with your needs but we're also constrained by the bureaucracy and we all know that even though they promise sometimes 21 days that's not the reality kasi that's our, I guess it's a bread and butter and we face that everyday they tells us it's 21 days but it comes up to six months total so I think what we're asking is that maybe it's safer to set the COD after the PSA approval that way hindi kami madedefault because then you're gonna called on our bond if we don't operate within the timeline and it's actually not our fault, it's outside of our control already at that point.</p> | <p>The period from the signing of the PSA on March 13, 2020 to the scheduled COD of the Interim Demand Requirement of until November 25, 2020 is sufficient for the installation of the interim power plant.</p> |
|           | <p>Ano po 'yong capacity credit for LNG Genset?</p>  | <p>LNG Capacity Credit is 100%.</p>  |



| REFERENCE | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |
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|           | <p>Sunwest Water and Electric Co., Inc. : Since po there is be a possibility na magkaroon po ng interconnection, you mentioned in the previous bid bulletin that we will enter into a Risk Mitigation Agreement and this was also stated in the PSA, however, gusto po sana namin tanungin if possible that OMECO can consider putting risk allocation and management provisions in the PSA itself so that other bidders would be not really blinded kung ano po 'yong iexpect nila na magiging provisions under this Risk Mitigation Agreement?</p> <p>TPBAC Chairman :<br/>Isusulat nga po natin 'yong risk mitigation doon sa PSA, pag-a-agree-han ng both party before the signing.</p> <p>Sunwest Water and Electric Co., Inc. : Since diba po in the PSA sabi po that the Parties will enter into certain circumstances that into Risk Mitigation Agreement kaya lang po upon signing of the PSA hindi pa po naka-incorporate don 'yong mismong provisions specifying or at least providing at minimum margin kung ano po 'yong magiging laman or content of that agreement so kung makoconsider po sana na at least some of the provisions are already incorporated in the PSA.</p> <p>TPBAC Chairman :Before the signing po, gagawin natin 'yong agreement, before the signing.</p> | <p>In the event of interconnection to the grid, the Parties shall enter into a risk mitigation agreement based on rules and guidelines to be issued by ERC. For purposes of bidding, the Bidder may factor in or consider this risk in its bid.</p> |



| REFERENCE | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS  |
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|           | <p>Sunwest Water and Electric Co., Inc. : So 'yong plan po is 'yong Risk Mitigation Agreement would be simultaneously or ..(interrupted)..</p> <p>TPBAC Chairman :Between Winning Bidder and Buyer or OMECO.</p> <p>Sunwest Water and Electric Co., Inc. : Okay.</p> <p>TPBAC Chairman : Mag-aagree po 'yong dalawa kasi apektado po 'yong both parties, kung ano po 'yong gagawin natin</p> <p>Sunwest Water and Electric Co., Inc. : Yes po, it's like a extended contract, something like that.</p> <p>TPBAC Chairman : Pwede po 'yon, kung ano po 'yong mapag-uusapan.</p> |   |
|           | <p>SPC Power Corporation : The baseline requirement including the annual increment in each of the Off-Grid or Missionary Areas shall be determined by the composite team hindi n'ya sinasabi na one percent, it says that the baseline shall be first determined by the composite team.</p> <p>TPBAC Chairman : We will clarify with the NREB or the DOE.</p>  | <p>The Bidder shall comply with the Renewable Portfolio Standard (RPS) as required under the DOE Department Circular No. DC2018-08-0024 starting Year 2023 at 4% with an incremental increase of 1% up to 2025.</p> |
|           | <p>Sir clarification lang po regarding doon sa interim natin. Kung sakali Sir mag put-up kami ng brand new generating sets for the interim pwede ba ito maging form part of ng aming new power</p>   | <p>The Winning Bidder may put-up a brand new modular generating sets for the Interim Demand Requirement. However, this cannot be used in the New Generating Capacity because the</p>                                |



| REFERENCE     | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
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|               | plant?   | <p>requirement is a permanent power plant.</p> <p>If you develop and construct a new permanent power plant from the start of the Interim Demand Requirement this will be allowed as New Generating Capacity.</p> <p>New Generating Capacity – refers to the new permanent power plant(s) or new generating unit(s) that the Winning Bidder will develop, construct, operate and maintain to supply the full demand requirement of OMECO from May 25, 2022 to May 25, 2035.</p> |
| PSA Section 7 | <p>With regards to the PSA Section 7, Scope of Agreement, 7.2 Responsibility of the Seller which is kami na mga Bidders, now especially on this governmental requirements in environmental compliance, I believe we need your help on this kasi kaming mga bidders, kaming mga ano hindi kami taga rito that's why during may mga gagawin kaming mga presentation with LGUs like social accessibility kailangan namin 'yong tulong n'yo. So kung pwede sana malagay dito na mag-assist kayo sa amin naman. 'Yon lang po siguro Sir, input lang siguro, kasi sa lahat ng mga ano ko, mga planta namin ako ang gumagawa that is very broaden kasi kayo 'yong kasama namin sa presentation, hopefully you could put it.</p> | <p>The Buyer may assist the Seller in securing permits in the best effort we can.</p>  |
|               | What is the rationale behind the RE capacity credits?  | <p>Capacity credit is about how much of peak demand is addressed by the generation</p>   |



| REFERENCE                                       | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |
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|   |   | capacity of the power plant.  |
|   | Which formulas in the other annexes are influenced by the capacity credits?   | Capacity credit will only be used in the evaluation of the equivalent capacity offered.   |
|   | <p>During the second pre-bid conference, the TPBAC Chairman said that due to its intermittency, solar has 0% capacity credit. Wind power too is intermittent in nature, so we would like to understand why wind was given 40% capacity credit while solar has none. In fact, solar has been given PSA's in other areas as compared to wind.</p>                       | <p>For solar, whose peak production occurs at 12nn but has negligible production at night, it has 0% capacity credit because we do not expect any output from a solar power plant at night where the peak demand of the Buyer is at night.</p> <p>For wind, while it is intermittent, production is not time dependent; there can be wind in the morning, at noon, in the afternoon, at night -- or there could not. In other words, at all times of the day, there is an average (or median) value of output that we can expect.</p> |
| TOR No. 9, Outage Allowance:                    | <p>The Seller shall be allowed 16 hours annual scheduled outage allowance for each Power Plant. This scheduled outage allowance is for preventive maintenance of Power Plant substation including control system.</p> <p>We suggest to significantly increase the outage allowance. An annual allowance of 16 hours is insufficient even for minor rectification.</p> | We will maintain the provision.   |
| Bid Bulletin No. 08 Instructions to Bidders 1.4 | <p>Delivery &amp; Metering Point for Interim Demand The requirement of OMECO for four (4) sites during the Interim Period is very costly and will reflect in the proposed tariff by the Bidders. Even the ERC may find this financially burdensome.</p> <p>We strongly suggest that the</p>   | We will maintain the provision of 4 sites for Interim delivery period.  |



| REFERENCE  | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
|--|--|--|
|  | same number of sites intended for the New Generating Capacity be adopted for the Interim Period.   |  |
| <p>Bid Bulletin No. 08 Instructions to Bidders 2 Definition of Terms</p> | <p>For inclusion in the Definition of Terms:</p> <p>Consortium/partnership – refers to agreement or intended agreement of companies or corporations of power suppliers declared during the bidding shall be inclusive for purpose of registration. For bid purposes, it is more than sufficient that at least one (1) of the members of the consortium/ partnership meets the technical qualifications prescribed by OMECO. There is no need to require that all members of the consortium/partnership be power suppliers, as long as at least one (1) of them is technically qualified.</p> <p>We request that the definition be revised.</p> <p>PROPOSED REVISION:</p> <p>Consortium/partnership – refers to agreement or intended agreement of companies or corporations, at least one (1) member of which is a power supplier which complies with the Technical Requirements of the Bid.</p> | <p>We will maintain the definition as issued in Bid Bulletin No. 08.</p> |
| <p>Bid Bulletin No. 08 Instructions to Bidders Clause 5.3</p>            | <p>Power supplier or its affiliate, or consortium/partnership of power suppliers must have no record of Unsatisfactory Performance.</p> <p>In relation to our request under item 5 above, this provision shall</p>   | <p>We will maintain the provision as issued in Bid Bulletin No. 08.</p>  |



| REFERENCE                                       | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS   |
|---|--|--|
|   | only apply to the consortium member who is a power supplier.   |  |
| Bid Bulletin No. 08 Instructions to Bidders 1.2 | <p>The Winning Bidder shall start to deliver the interim demand requirements to OMECO on 25 May 2020 until 25 May 2022, either through rental or installation of temporary modular generating units. Upon the termination of this interim period, the Winning Bidder shall commence the operation of its New Generating Capacity to supply the full demand requirements of OMECO. Table 1 shows the Interim Demand Requirements in Megawatts (MW) from 25 May 2020 until 25 May 2022.</p> <p>We suggest that the Interim and New Generation supply shall be contracted and for bidding separately. As a result, any bidder shall be allowed to bid for one or both interim and new generation capacity and may likewise win one or both contracts.</p> <p>We request that OMECO consider allowing this option to expedite the bidding of the Interim Demand Requirements, at the very least.</p> | We will maintain the provision as issued in Bid Bulletin No. 08.                             |
| Bid Bulletin No. 08 ANNEX A-1                   | <p>Proof of VAT payments for the past six months;</p> <p>CLARIFICATION:<br/>Based on your schedule of activities, proof of VAT payments for December 2019 cannot be secured. We suggest that the coverage for the past six months shall be from June 2019 to November 2019.</p>  | You may submit proof of Vat payment for the past six months from June 2019 to November 2019. |



| REFERENCE  | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |
|--|---|---|
| Bid Bulletin No. 09  | <p>Submission &amp; Opening of Bids<br/>January 8, 2020</p> <p>The date of bid submission is too close to the Holidays, such that there are certain requirements (such as the renewed Mayor's Permit/Business Permit and latest VAT return and payment) which cannot be secured in time. In addition, the date is also set too close to the bid submission schedule of other electric cooperatives which are also conducting their own Competitive Selection Process (such as the Marinduque Electric Cooperative, Inc.).</p> <p>We respectfully request that the bid submission be moved further by at least two (2) more weeks.</p>           | <p>We cannot grant your request because we also have to comply with the ERC's mandate to finish the procurement of Power Supply immediately.</p>  |
| <p>Bid Bulletin No. 7, in relation to Bid Bulletin No. 8</p> <p>ITB 5 Eligible Bidders</p> | <p>From the previous queries on a bidder/power supplier's use of the qualifications/ experience of its affiliate, OMECO responded that "the affiliate should be the bidder."</p> <p>However, several responses in Bid Bulletin No. 8 refer to "power supplier and its affiliate" (e.g., combination of Net Worth for financial capability; and submission of Articles of Incorporation, audited financial statements, and company profile and history). Please clarify whether a power supplier can utilize its affiliate in complying with the qualification/capability requirements wherein the said power supplier can remain as bidder.</p> | <p>If the affiliate/subsidiary is the bidder, the affiliate/subsidiary shall submit its qualification.</p> <p>We will amend the provisions in ITB clause 5.2 and ITB 12.1.1 (b) as issued in Bid Bulletin No. 08.</p> |
| Bid Bulletin No. 8   | ITB 2: For inclusion in the Definition of Terms:  | We will amend the definition of Lead Bidder in ITB 2 as issued  |





| REFERENCE   | REQUEST FOR CLARIFICATIONS/ QUESTIONS/ SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS   |
|---|---|--|
| <p>ITB 2 Definition of Terms; in relation to ITB Clause 5.2</p> | <p>Lead Bidder – refers to the participating bidder who meets all the qualifications in this bidder;</p> <p>In relation to:</p> <p>ITB Clause 5.2</p> <p>Power supplier and its affiliate, or consortium/partnership of power suppliers must have a financial capability with combined Net Worth of Six Hundred Forty Eight Million Eight Hundred Fifty Eight Thousand Eight Hundred Thirty One Pesos &amp; 18/100 (PhP 648,858,831.18) at the end of the most recent financial year.</p> <p>COMMENTS:</p> <p>1. In relation to our request under item 5 above, this provision shall be revised to take our proposed revised definition of a “consortium/partnership”.</p> <p>In addition, we note that the definition of a “Lead Bidder” under ITB-2 requires that it meets all the qualifications, while the requirement for financial capability under ITB Clause 5.2 allows the combination of Net Worth of the consortium/partnership members.</p> <p>Kindly clarify this discrepancy. Please confirm whether the Lead Bidder does not need to meet the financial capability requirement</p> | <p>in Bid Bulletin No. 08.</p> <p>Lead Bidder – refers to one of the members of consortium which is appointed as lead bidder in joint agreement or consortium agreement.</p> <p>The lead bidder may appoint authorized representative.</p> <p>Yes.</p> |



| REFERENCE                         | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS   | TPBAC ANSWERS AND CLARIFICATIONS  |
|-----------------------------------|--|---|
|                                   | by itself, but may combine its Net Worth with the rest of the consortium/ partnership members to comply with the minimum requirement.  |   |
| Bid Bulletin No. 8<br><br>ITB 1.4 | <p>The Power Bill metering point must be at the 13.2 kiloVolt (kV) voltage level. SUGGESTION:</p> <p>We suggest that the Power Bill metering point be at the 69 kV side of the New Generating Capacity to cover all the Transmission losses.</p> <p>If not, kindly provide the mechanism for the recovery of Transmission Losses given that the metering point is at the 13.2kV side while the tapping point is at 69kV Substation.</p>  | The mechanism or computation on how to recover transmission losses is included in Schedule A.   |
| Eligibility Requirement           | <p>In line with our participation on the Competitive Selection Process for the Supply of 39 MW Full Load Requirement of Mainland Occidental Mindoro, we would like to clarify on your team on Bid Bulletin No. 7 and 8. on the eligibility requirements.</p> <p>We have included this issue on our final queries submitted last November 6, 2019 (Item no. 6) and we are sending this email as the details pertaining to that query.</p> <p>In previous experience, we use the parent company (Solar Philippines Power Project Holdings) as the lead bidder. Since it is the parent company, the technical and financial capacity of its subsidiaries that owns and operates the plant are</p> | <p>If the holding company is the bidder, the holding company shall submit its qualification.</p> <p>If the affiliate/subsidiary is the bidder, the affiliate/subsidiary shall submit its qualification.</p> |



| REFERENCE | REQUEST FOR CLARIFICATIONS/<br>QUESTIONS/<br>SUGGESTIONS  | TPBAC ANSWERS AND CLARIFICATIONS  |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
|-----------|---|---|---------------|---------------------|---|-------|----|---|--------------------|----|---|------------|---|---|------|----|---|---------|----|--|
|           | <p>already included on its financial statements and technical records. Also, after the awarding of PSA, it is then assigned to an SPV company which is still 100% owned by the parent company.</p> <p>We would like to humbly request the TPBAC to consider using the parent company as the bidder, carrying over the technical and financial capacities of its subsidiaries besides, the bid security shall still be provided as your guarantee.</p>   |   |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
|           | <p>It was stated on the table that the RE Power Plant Capacity Credit shall be as follows</p> <table border="1" data-bbox="452 1013 936 1269"> <thead> <tr> <th>Item No.</th> <th>Type of Plant</th> <th>Capacity Credit (%)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Hydro</td> <td>70</td> </tr> <tr> <td>2</td> <td>Solar with Battery</td> <td>25</td> </tr> <tr> <td>3</td> <td>Solar Only</td> <td>0</td> </tr> <tr> <td>4</td> <td>Wind</td> <td>40</td> </tr> <tr> <td>5</td> <td>Biomass</td> <td>80</td> </tr> </tbody> </table> <p>On the Item No. 2, it was not specified the required no. of hours for the autonomy of battery. We would like to know the requirement of OMECO with regards to the number of hours of autonomy for the battery or if it shall be on the discretion of the bidder. (E.G. On MARELCO CSP, they required 4 hours autonomy)</p> | Item No.  | Type of Plant | Capacity Credit (%) | 1 | Hydro | 70 | 2 | Solar with Battery | 25 | 3 | Solar Only | 0 | 4 | Wind | 40 | 5 | Biomass | 80 | <p>The autonomy of the battery is six (6) hours.</p> |
| Item No.  | Type of Plant   | Capacity Credit (%)   |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
| 1         | Hydro   | 70  |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
| 2         | Solar with Battery  | 25  |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
| 3         | Solar Only  | 0   |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
| 4         | Wind  | 40  |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
| 5         | Biomass   | 80  |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |
|           |   | <p>The TPBAC amended the Revised Annex D, E and F of the ITB as issued in Bid Bulletin No. 08. The new Annex D, E and F of the ITB are attached in this Bid Bulletin.</p> |               |                     |   |       |    |   |                    |    |   |            |   |   |      |    |   |         |    |  |



This Bid Bulletin No. 12, Series of 2019 shall form part of the Bidding Documents. Any provisions in the Bidding Documents inconsistent herewith is hereby amended, modified and superseded accordingly.

For information of all concerned.

FOR THE TPBAC:



**CELSO D. GARCIA**  
TPBAC Chairman



**OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.**  
**San Jose, Occidental Mindoro**



**OFFICIAL BID FORM**

**“Supply of Thirty Nine Megawatt (39MW) Full Load Requirement of Mainland Occidental Mindoro through Competitive Selection Process (CSP)”**

| Item  | Particulars              | Capacity Recovery Rates (PhP/kW/month) | Variable Operation and Maintenance Rates (PhP/kWh) | Fixed Operation and Maintenance Rates (PhP/kW/month) | Fuel Rate (PhP/kWh) | TCGR (PhP/kWh) |
|---|--------------------------|--|--|--|---------------------|----------------|
| <b>I. LEVELIZED COST OF ELECTRICITY: INTERIM DEMAND REQUIREMENT</b> |                          |  |  |  |                     |                |
| IA  | CONVENTIONAL POWER PLANT |  |  |  |                     |                |
| IB  | RENEWABLE ENERGY         |  |  |  |                     |                |
| <b>BLENDED RATE</b>   |                          |  |  |  |                     |                |
| <b>II. LEVELIZED COST OF ELECTRICITY: NEW GENERATING CAPACITY</b>   |                          |  |  |  |                     |                |
| IIA   | CONVENTIONAL POWER PLANT |  |  |  |                     |                |
| IIB   | RENEWABLE ENERGY         |  |  |  |                     |                |
| <b>BLENDED RATE</b>   |                          |  |  |  |                     |                |
| <b>BIDDER'S AUTHORIZED REPRESENTATIVE:</b>                          |                          |  |  |  |                     |                |
| <b>PRINTED NAME OVER SIGNATURE</b>                                  |                          |  |  |  |                     |                |
| <b>DATE</b>   |                          |  |  |  |                     |                |

Note:

- Bidder shall submit detailed computation of Levelized Cost of Energy for Interim Demand Requirement and New Generating Capacity for each technology.
- If the Bidder offered a combination of Conventional and Renewable Plant, the bidder shall declare percentage of committed energy from each Power Plant.
- Monthly Energy Requirement, kWhr  
Interim Demand Requirement - **13,371,348**  
New Generating Capacity - **18,614,351**

*FOR PURPOSES OF CALCULATING THE LOWEST CALCULATED BID, THE FOLLOWING COMPUTATION OF TRUE COST GENERATION RATE (TCGR) and BLENDED RATE SHALL BE APPLIED*

**Formula A.1**      BLENDED RATE OF INTERIM DEMAND REQUIREMENT

$$\text{Blended Rate}_{Int} = \frac{(\text{TCGR}_{Int\_CPP} \times \%kWh_{CPP} \times k\text{Whr}_{Int/mon}) + (\text{TCGR}_{Int\_RE} \times \%kwh_{RE} \times k\text{Whr}_{Int/mon})}{k\text{Whr}_{Int/mon}}$$

Where:

- $\text{Blended Rate}_{Int}$  = Blended rate during Interim
- $\text{Blended Rate}_{NGC}$  = Blended rate of New Generating Capacity
- $\text{TCGR}_{Int\_CPP}$  = refers to the True Cost Generation Rate of Conventional Power Plant during Interim Demand
- $\text{TCGR}_{Int\_RE}$  = refers to the True Cost Generation Rate of Renewable Energy during Interim.
- $\%kWh_{Int\_CPP}$  = refers to the Conventional Power Plant committed monthly Generation during Interim in percent (%)
- $\%kWh_{Int\_RE}$  = refers to the Renewable Energy committed monthly generation during Interim in percent (%)
- $k\text{Whr}_{Int\_mon}$  = refers to the monthly energy requirement in kwhr which is equal to **13,371,348**.

**Formula A.2**      BLENDED RATE OF NEW GENERATING CAPACITY

$$\text{Blended Rate}_{NGC} = \frac{(\text{TCGR}_{NGC\_CPP} \times \%kWh_{CPP} \times k\text{Whr}_{NGC/mon}) + (\text{TCGR}_{NGC\_RE} \times \%kwh_{RE} \times k\text{Whr}_{NGC/mon})}{k\text{Whr}_{NGC/mon}}$$

Where:

- $\text{TCGR}_{NGC\_CPP}$  = refers to the True Cost Generation Rate of Conventional Power Plant of New Generating Capacity.

- $TCGR_{NGC\_RE}$  = refers to the True Cost Generation Rate of Renewable Energy of New Generating Capacity.
- $\%kWh_{NGC\_RE}$  = refers the committed monthly generation of Renewable Energy of New Generating Capacity in percent (%).
- $\%kWh_{NGC\_CPP}$  = refers to the committed monthly generation of Conventional Power Plant of New Generating Capacity in percent (%)
- $kWhr_{NGC\_mon}$  = refers to the monthly energy requirement in kwhr which is equal to **18,614,351**.

**Formula B.1** TCGR OF CONVENTIONAL POWER PLANT DURING INTERIM

$$TCGR_{Int\_CPP} = \frac{(CRF_{Int\_CPP}/(\%kWh_{int\_CPP} \times kWhr_{int\_mo})) + (FOMF_{Int\_CPP}}{(\%kWh_{Int\_CPP} \times kWhr_{int\_mo})} + VOMF_{Int\_CPP} + Fuel\ Fee_{Int\_CPP}$$

**WHERE:**

- $TCGR_{Int\_CPP}$  = refers to the True Cost Generation Rate of Conventional Power Plant during Interim.
- $CRF_{Int\_CPP}$  = refers to the Capacity Recovery Fee of Conventional Power Plant during Interim.
- $\%kWh_{Int\_CPP}$  = refers to the Conventional Power Plant committed monthly generation during Interim in percent (%)
- $kWhr_{int}$  = refers to the monthly energy requirement in kwhr during Interim which is equal to **13,371,348**.
- $FOMF_{Int}$  = refers to the Fixed Operation and Maintenance Fee of Conventional Power Plant during Interim
- $VOMF_{Int}$  = refers to the Variable Operation and Maintenance Fee of Conventional Power Plant during Interim.
- $Fuel\ Fee_{Int}$  = refers to the Fuel Fees of Conventional Power Plant during Interim.

**Formula B.2** TCGR OF RENEWABLE ENERGY DURING INTERIM

$$TCGR_{Int\_RE} = (CRF_{Int\_RE}/(\%kWh_{int\_RE} \times Kwhr_{int\_mo})) + (FOMF_{Int\_RE} /(\%kWh_{Int\_RE} \times Kwhr_{int\_mo})) + VOMF_{Int\_RE} + Fuel\ Fee_{Int\_RE\_if\ any}$$

**WHERE:**

$TCGR_{Int\_RE}$  = refers to the True Cost Generation Rate of Renewable Energy during Interim.

$CRF_{Int\_RE}$  = refers to the Capacity Recovery Fee of Renewable Energy during Interim.

$\%kWh_{Int\_RE}$  = refers to the Renewable Energy committed monthly generation during Interim in percent (%)

$kWhr_{int\_RE}$  = refers to the monthly energy requirement in kwhr during Interim which is equal to **13,371,348**.

$FOMF_{Int\_RE}$  = refers to the Fixed Operation and Maintenance Fee Renewable Energy during Interim.

$VOMF_{Int\_RE}$  = refers to the Variable Operation and Maintenance Fee of Renewable Energy during Interim.

$Fuel\ Fee_{Int\_RE\_if\ any}$  = refers to the Fuel Fees of Renewable Energy during Interim, if any.

**Formula C.1** TCGR OF CONVENTIONAL POWER PLANT OF NEW GENERATING CAPACITY

$$TCGR_{NGC\_CPP} = (CRF_{NGC\_CPP}/(\%kWh_{NGC\_CPP} \times Kwhr_{NGC\_mo})) + (FOMF_{NGC\_CPP} /(\%kWh_{NGC\_CPP} \times Kwhr_{NGC\_mo})) + VOMF_{NGC\_CPP} + Fuel\ Fee_{NGC\_CPP}$$

**WHERE:**

$TCGR_{NGC\_CPP}$  = refers to the True Cost Generation Rate of Conventional Power Plant of the New Generating Capacity.

$CRF_{NGC\_CPP}$  = refers to the Capacity Recovery Fee of Conventional Power Plant of the New Generating Capacity.

$\%kWh_{NGC\_CPP}$  = refers to the committed monthly generation of Conventional Power Plant of New Generating Capacity in percent (%)



- $kWhr_{NGC}$  = refers to the monthly energy requirement in kwhr which is equal to **18,614,351**.
- $FOMF_{Int}$  = refers to the Fixed Operation and Maintenance Fee of Conventional Power Plant of the New Generating Capacity.
- $VOMF_{Int}$  = refers to the Variable Operation and Maintenance Fee of Conventional Power Plant of the New Generating Capacity.
- $Fuel\ Fee_{Int}$  = refers to the Fuel Fees of Conventional Power Plant of the New Generating Capacity.

**Formula C.2** TCGR OF RENEWABLE ENERGY OF NEW GENERATING CAPACITY

$$TCGR_{NGC\_RE} = (CRF_{NGC\_RE}/(\%kWh_{NGC\_RE} \times kWhr_{NGC\_mo})) + (FOMF_{NGC\_RE}/(\%kWh_{NGC\_RE} \times kWhr_{NGC\_mo})) + VOMF_{NGC\_RE} + Fuel\ Fee_{NGC\_RE\_if\ any}$$

**WHERE:**

- $TCGR_{NGC\_RE}$  = refers to the True Cost Generation Rate of Renewable Energy during Interim.
- $CRF_{NGC\_RE}$  = refers to the Capacity Recovery Fee of Renewable Energy during Interim.
- $\%kWh_{NGC\_RE}$  = refers the committed monthly generation of Renewable Energy of New Generating Capacity in percent (%).
- $kWhr_{NGC\_mon}$  = refers to the monthly energy requirement in kwhr which is equal to **18,614,351**.
- $FOMF_{NGC\_RE}$  = refers to the Fixed Operation and Maintenance Fee Renewable Energy during Interim.
- $VOMF_{NGC\_RE}$  = refers to the Variable Operation and Maintenance Fee of Renewable Energy during Interim.
- $Fuel\ Fee_{NGC\_RE\_if\ any}$  = refers to the Fuel Fees of Renewable Energy during Interim, if any.

## Lowest Calculated Bid (LCB)

$$LCB = \frac{(kWh_{Int} \times \text{BLENDED RATE}_{Int}) + (kWh_{NGC} \times \text{BLENDED RATE}_{NGC})}{kWh_{Int+NGC}}$$

## WHERE:

|                             |   |  |
|-----------------------------|---|--|
| $LCB$                       | = | refers to Lowest Calculated Bid.   |
| $kWh_{Int}$                 | = | refers to the projected energy requirement during Interim equivalent to <b>320,912,342</b> kWh from May 2020 to April 2022   |
| $kWh_{NGC}$                 | = | refers to the projected energy requirement of the New Generating Capacity equivalent to <b>2,903,838,746</b> kWh from November 2022 to November 2035               |
| Blended Rate <sub>Int</sub> | = | Blended rate during Interim  |
| Blended Rate <sub>NGC</sub> | = | Blended rate of New Generating Capacity  |
| $kWh_{Int+NGC}$             | = | refers to the total projected energy requirement during Interim and of New Generating Capacity equivalent to <b>3,224,751,088</b> kWh from May 2020 to April 2035. |

*(Intentionally leave blank)*

## SCHEDULE A – Computation of Monthly Total Fees

### 1. Monthly Payment during Commercial Operation Date (COD)

$$TMP_{Int} = MP_{Int\_CPP} + MP_{Int\_RE} + Taxes$$

Where:

|                 |   |   |
|-----------------|---|---|
| $TMP_{Int}$     | - | Total Monthly Payment of Interim Demand Requirement                       |
| $MP_{Int\_CPP}$ | - | Monthly Payment of Conventional Power Plant of Interim Demand Requirement |
| $MP_{Int\_RE}$  | - | Monthly Payment of Renewable Energy of Interim Demand Requirement         |
| Taxes           | - | Value Added tax and other applicable taxes                                |

### 2. Monthly Payment of Conventional Power Plant of Interim Demand

$$MP_{Int\_CPP} = CF_{Int\_cpp} + FOMF_{Int\_CPP} + VOMF_{Int\_CPP} + FF_{Int\_CPP}$$

Where:

|                        |   |  |
|------------------------|---|--|
| $MP_{Int\_CPP}$        | - | Monthly Payment of Conventional Power Plant of Interim Demand                                |
| $CF_{Int\_CPP}$        | - | Monthly Capacity Fee of Conventional Power Plant of Interim Demand                           |
| $FOMF_{Int\_CPP}$      | - | Monthly Fixed Operation and Maintenance Fee of Conventional Power Plant of Interim Demand    |
| $VOMF_{Int\_CPP}$      | - | Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of Interim Demand |
| $FUEL\ FEE_{Int\_CPP}$ | - | Monthly Fuel Fee of Conventional Power Plant of Interim Demand                               |

### 3. Monthly Payment of Renewable Energy of Interim Demand Requirement

$$MP_{Int\_RE} = CF_{Int\_RE} + FOMF_{Int\_RE} + VOMF_{Int\_RE} + FF_{Int\_RE}$$

Where:

- $MP_{Int\_RE}$  - Monthly Payment of Renewable Energy of Interim Demand Requirement
- $CF_{Int\_RE}$  - Capacity Fee of Renewable Energy of Interim Demand
- $FOMF_{Int\_RE}$  - Monthly Fixed Operation and Maintenance Fee of Renewable Energy of Interim Demand
- $VOMF_{Int\_RE}$  - Variable Operation and Maintenance Fee of Renewable Energy of Interim Demand
- $FUEL\ FEE_{Int\_RE}$  - Fuel Fee of Renewable Energy of Interim Demand, if any.

### 4. Monthly Capacity Fee of Conventional Power Plant of Interim Demand Requirement

$$CF_{Int\_CPP} = CRR_{Int\_CPP} \times CC_{Kw\_CPP}$$

Where:

- $CF_{Int\_CPP}$  - Monthly Capacity Fee of Conventional Power Plant of Interim Demand Requirement, Php
- $CRR_{Int\_CPP}$  - Approved ERC Capacity Recovery Rate of Conventional Power Plant of Interim Demand Requirement, Php/kW/Month
- $CC_{Int\_CPP}$  - Contracted Capacity of Conventional Power Plant of Interim Demand Requirement, kW

### 5. Monthly Capacity Fee of Renewable Energy of Interim Demand Requirement

$$CF_{Int\_RE} = CRR_{Int\_RE} \times CC_{Kw\_RE}$$

Where:

- $CF_{Int\_RE}$  - Monthly Capacity Fee of Renewable Energy of Interim Demand Requirement, Php
- $CRR_{Int\_RE}$  - Approved ERC Capacity Recovery Rate of Renewable Energy of Interim Demand Requirement, Php/kW/Month
- $CC_{Int\_RE}$  - Contracted Capacity of Renewable Energy of Interim Demand Requirement, kW

## 6. Monthly Fixed Operation and Maintenance Fee of Conventional Power Plant of Interim Demand

$$FOMF_{Int\_CPP} = FOMR_{Int\_CPP} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times CC_{kw\_CPP}$$

Where:

- $FOMF_{Int\_CPP}$  - Monthly Fixed Operation and Maintenance Fee of Conventional Power Plant of Interim Demand
- $FOMR_{Int\_CPP}$  - Approved Monthly Fixed Operation and Maintenance Rate of Conventional Power Plant of Interim Demand,
- $FCPI_{Int\_BM}$  - The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.
- $FCPI_{Int\_CS}$  - The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.
- $LCPI_{Int\_BM}$  - The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.
- $LCPI_{Int\_CS}$  - The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority
- $FX_{BM}$  - Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .
- $FX_{CS}$  - Actual Philippine Peso to US Dollar exchange

rate on the meter reading date as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .

- A - Percentage of Foreign Cost
- B - Percentage of Local Cost
- $CC_{Int\_CPP}$  - Contracted Capacity of Conventional Power Plant of Interim Demand Requirement

## 7. Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of Interim Demand

$$VOMF_{Int\_CPP} = VOMR_{Int\_CPP} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times E_{DEL}$$

Where;

- $VOMF_{Int\_CPP}$  - Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of Interim Demand
- $VOMR_{Int\_CPP}$  - Approved Monthly Variable Operation and Maintenance Rate of Conventional Power Plant of Interim Demand
- $FCPI_{Int\_BM}$  - The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.
- $FCPI_{Int\_CS}$  - The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.
- $LCPI_{Int\_BM}$  - The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.
- $LCPI_{Int\_CS}$  - The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority
- $FX_{BM}$  - Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .

|                |   |   |
|----------------|---|---|
| $FX_{CS}$      | - | Actual Philippine Peso to US Dollar exchange rate as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> . |
| A              | - | Percentage of Foreign Cost  |
| B              | - | Percentage of Local Cost  |
| $E_{DEL\_CPP}$ | - | Energy Delivered at 13.2 kV Metering Point (PBM) of Conventional Power of Interim Demand Requirement  |

## 8. Monthly Fixed Operation and Maintenance Fee of Renewable Energy of Interim Demand

$$FOMF_{Int\_RE} = FOMR_{int\_RE} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times CC_{kw\_RE}$$

Where:

|                  |   |   |
|------------------|---|---|
| $FOMF_{Int\_RE}$ | - | Monthly Fixed Operation and Maintenance Fee of Renewable Energy of Interim Demand   |
| $FOMR_{Int\_RE}$ | - | Approved Monthly Fixed Operation and Maintenance Rate of Renewable Energy of Interim Demand   |
| $FCPI_{Int\_BM}$ | - | The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.   |
| $FCPI_{Int\_CS}$ | - | The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.   |
| $LCPI_{Int\_BM}$ | - | The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.                               |
| $LCPI_{Int\_CS}$ | - | The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority   |
| $FX_{BM}$        | - | Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> . |
| $FX_{CS}$        | - | Actual Philippine Peso to US Dollar exchange  |

rate as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph).

- A - Percentage of Foreign Cost
- B - Percentage of Local Cost
- $CC_{Int\_RE}$  - Contracted Capacity of Renewable Energy of Interim Demand Requirement

## 9. Monthly Variable Operation and Maintenance Fee of Renewable Energy of Interim Demand

$$VOMF_{Int\_RE} = VOMR_{Int\_RE} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times E_{DEL}$$

Where;

- $VOMF_{Int\_RE}$  - Monthly Variable Operation and Maintenance Fee of Renewable Energy of Interim Demand
- $FOMR_{Int\_RE}$  - Approved Monthly Fixed Operation and Maintenance Rate of Renewable Energy of Interim Demand
- $FCPI_{Int\_BM}$  - The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.
- $FCPI_{Int\_CS}$  - The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.
- $LCPI_{Int\_BM}$  - The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.
- $LCPI_{Int\_CS}$  - The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority
- $FX_{BM}$  - Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .
- $FX_{CS}$  - Actual Philippine Peso to US Dollar exchange rate on the



meter reading date as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .

- A - Percentage of Foreign Cost
- B - Percentage of Local Cost
- $E_{DEL\_RE}$  - Energy Delivered at 13.2 kV Metering Point (PBM) Renewable Energy of Interim Demand Requirement

### 10. Monthly Payment during Commercial Operation Date (COD) of New Generating Capacity

$$TMP_{NGC} = MP_{NGC\_CPP} + MP_{NGC\_RE} + Taxes$$

Where:

- $TMP_{NGC}$  - Total Monthly Payment of New Generating Capacity
- $MP_{NGC\_CPP}$  - Monthly Payment of Conventional Power Plant of New Generating Capacity.
- $MP_{NGC\_RE}$  - Monthly Payment of Renewable Energy of New Generating Capacity
- Taxes - Value Added tax and other applicable taxes

### 11. Monthly Payment of Conventional Power Plant of New Generating Capacity

$$MP_{NGC\_CPP} = CF_{NGC\_CPP} + FOMF_{NGC\_CPP} + VOMF_{NGC\_CPP} + FF_{NGC\_CPP}$$

Where:

- $MP_{NGC\_CPP}$  - Monthly Payment of Conventional Power Plant of New Generating Capacity
- $CF_{NGC\_CPP}$  - Monthly Capacity Fee of Conventional Power Plant of New Generating Capacity
- $FOMF_{NGC\_CPP}$  - Monthly Fixed Operation and Maintenance Fee of

|                        |   |   |
|------------------------|---|---|
|                        |   | Conventional Power Plant of New Generating Capacity   |
| $VOMF_{NGC\_CPP}$      | - | Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of New Generating Capacity |
| $FUEL\ FEE_{NGC\_CPP}$ | - | Monthly Fuel Fee of Conventional Power Plant of New Generating Capacity                               |

## 12. Monthly Payment of Renewable Energy of New Generating Capacity

$$MP_{NGC\_RE} = CF_{NGC\_RE} + FOMF_{NGC\_RE} + VOMF_{NGC\_RE} + FF_{NGC\_RE}$$

Where:

|                       |   |  |
|-----------------------|---|--|
| $CF_{NGC\_RE}$        | - | Capacity Fee of Renewable Energy of New Generating Capacity                                |
| $FOMF_{NGC\_RE}$      | - | Monthly Fixed Operation and Maintenance Fee of Renewable Energy of New Generating Capacity |
| $VOMF_{NGC\_RE}$      | - | Variable Operation and Maintenance Fee of Renewable Energy of New Generating Capacity      |
| $FUEL\ FEE_{NGC\_RE}$ | - | Fuel Fee of Renewable Energy of New Generating Capacity, if any.                           |

## 13. Monthly Capacity Fee of Conventional Power Plant of Interim Demand Requirement

$$CF_{NGC\_CPP} = CRR_{NGC\_CPP} \times CC_{KW\_CPP}$$

Where:

|                  |   |   |
|------------------|---|---|
| $CF_{NGC\_CPP}$  | - | Monthly Capacity Fee of Conventional Power Plant of New Generating Capacity.                |
| $CRR_{NGC\_CPP}$ | - | Approved ERC Capacity Recovery Rate of Conventional Power Plant of New Generating Capacity. |
| $CC_{NGC\_CPP}$  | - | Contracted Capacity of Conventional Power Plant of New Generating Capacity.                 |

#### 14. Monthly Capacity Fee of Renewable Energy of New Generating Capacity.

$$CF_{NGC\_RE} = CRR_{NGC\_RE} \times CC_{kw\_RE}$$

Where:

- $CF_{NGC\_RE}$  - Monthly Capacity Fee of Renewable Energy of New Generating Capacity.
- $CRR_{NGC\_RE}$  - Approved ERC Capacity Recovery Rate of Renewable Energy of New Generating Capacity.
- $CC_{NGC\_RE}$  - Contracted Capacity of Renewable Energy of New Generating Capacity.

#### 15. Monthly Fixed Operation and Maintenance Fee of Conventional Power Plant of New Generating Capacity

$$FOMF_{NGC\_CPP} = FOMR_{NGC\_CPP} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times CC_{kw\_NGC}$$

Where:

- $FOMF_{NGC\_CPP}$  - Monthly Fixed Operation and Maintenance Fee of Conventional Power Plant of New Generating Capacity.
- $FOMR_{NGC\_CPP}$  - Approved Monthly Fixed Operation and Maintenance Rate of Conventional Power Plant of New Generating Capacity.
- $FCPI_{NGC\_BM}$  - The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.
- $FCPI_{NGC\_CS}$  - The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.
- $LCPI_{NGC\_BM}$  - The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.
- $LCPI_{NGC\_CS}$  - The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority

|                 |   |   |
|-----------------|---|---|
| $FX_{BM}$       | - | Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> .   |
| $FX_{CS}$       | - | Actual Philippine Peso to US Dollar exchange rate as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> . |
| A               | - | Percentage of Foreign Cost  |
| B               | - | Percentage of Local Cost  |
| $CC_{NGC\_CPP}$ | - | Contracted Capacity of Conventional Power Plant of New Generating Capacity  |

## 16. Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of New Generating Capacity.

$$VOMF_{NGC\_CPP} = VOMR_{NGC\_CPP} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times E_{DEL}$$

Where;

|                   |   |   |
|-------------------|---|---|
| $VOMF_{NGC\_CPP}$ | - | Monthly Variable Operation and Maintenance Fee of Conventional Power Plant of New Generating Capacity.  |
| $VOMR_{NGC\_CPP}$ | - | Approved Monthly Variable Operation and Maintenance Rate of Conventional Power Plant of New Generating Capacity.  |
| $FCPI_{NGC\_BM}$  | - | The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.           |
| $FCPI_{NGC\_CS}$  | - | The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.                   |
| $LCPI_{NGC\_BM}$  | - | The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority. |
| $LCPI_{NGC\_CS}$  | - | The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority           |
| $FX_{BM}$         | - | Actual Philippine Peso to US Dollar exchange rate on the  |

- meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .
- $FX_{CS}$  - Actual Philippine Peso to US Dollar exchange rate as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .
- A - Percentage of Foreign Cost
- B - Percentage of Local Cost
- $E_{DEL\_CPP}$  - Energy Delivered at 13.2 kV Metering Point (PBM) of Conventional Power Plant of New Generating Capacity.

### 17. Monthly Fixed Operation and Maintenance Fee of Renewable Energy of New Generating Capacity

$$FOMF_{NGC\_RE} = FOMR_{NGC\_RE} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times CC_{kw\_RE}$$

Where:

- $FOMF_{NGC\_RE}$  - Monthly Fixed Operation and Maintenance Fee of Renewable Energy of New Generating Capacity
- $FOMR_{NGC\_RE}$  - Approved Monthly Fixed Operation and Maintenance Rate of Renewable Energy of New Generating Capacity
- $FCPI_{NGC\_BM}$  - The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.
- $FCPI_{NGC\_CS}$  - The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.
- $LCPI_{NGC\_BM}$  - The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.
- $LCPI_{NGC\_CS}$  - The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority
- $FX_{BM}$  - Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph) .

|                |   |   |
|----------------|---|---|
| $FX_{CS}$      | - | Actual Philippine Peso to US Dollar exchange rate as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> |
| A              | - | Percentage of Foreign Cost  |
| B              | - | Percentage of Local Cost  |
| $CC_{NGC\_RE}$ | - | Contracted Capacity of Renewable Energy of New Generating Capacity.   |

## 18. Monthly Variable Operation and Maintenance Fee of Renewable Energy of New Generating Capacity

$$VOMF_{NGC\_RE} = VOMR_{NGC\_RE} \times \left[ \left( A \times \frac{FCPI_{BM}}{FCPI_{CS}} \times \frac{FX_{BM}}{FX_{CS}} \right) + \left( B \times \frac{LCPI_{BM}}{LCPI_{CS}} \right) \right] \times E_{DEL}$$

Where;

|                  |   |   |
|------------------|---|---|
| $VOMF_{NGC\_RE}$ | - | Monthly Variable Operation and Maintenance Fee of Renewable Energy of New Generating Capacity   |
| $FOMR_{NGC\_RE}$ | - | Approved Monthly Fixed Operation and Maintenance Rate of Renewable Energy of Interim Demand   |
| $FCPI_{NGC\_BM}$ | - | The values of US Consumer Price Index for all items, as last published on or before the last day of the billing month by the US Bureau of Labor and Statistics.   |
| $FCPI_{NGC\_CS}$ | - | The values of United States Consumer Price Index for all items published during signing date of this contract by the US Bureau of Labor and Statistics.   |
| $LCPI_{NGC\_BM}$ | - | The values of the Consumer Price Index in the Philippines for all items published on or before the last day of such Billing Month by the Philippine Statistics Authority.                               |
| $LCPI_{NGC\_CS}$ | - | The values of the Consumer Price Index in the Philippines as of the Contract Signing Date of this Agreement of all items by the Philippine Statistics Authority   |
| $FX_{BM}$        | - | Actual Philippine Peso to US Dollar exchange rate on the meter reading date of such Billing Month as published by the Bangko Sentral ng Pilipinas, <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a> . |
| $FX_{CS}$        | - | Actual Philippine Peso to US Dollar exchange rate on the  |

meter reading date as of the Contract Signing Date of this Agreement as published by the Bangko Sentral ng Pilipinas, [www.bsp.gov.ph](http://www.bsp.gov.ph).

- A - Percentage of Foreign Cost
- B - Percentage of Local Cost
- $E_{DEL\_RE}$  - Energy Delivered of Renewable Energy of New Generating Capacity

**19. FUEL FEE** - The pass-through Fuel Fee (FF) of Conventional Power Plant and Renewable Energy, if any, for the Billing Month shall be paid to Seller to cover the fuel consumed in the generation of electricity subject to approved Specific Fuel & Oil Consumption approved by ERC.

**20. Computation of True Cost Generation Rate (TCGR) Of Interim Demand Requirement**

$$TCGR_{Int} = \frac{TMP_{Int}}{E_{DEL\_Int}} \cdot \frac{PHP}{KWH}$$

Where:

- $TCGR_{Int}$  - True Cost Generation Rate (TCGR) Of Interim Demand Requirement
- $TMP_{Int}$  - Total Monthly Payment of Interim Demand Requirement
- $E_{DEL\_Int}$  - Energy Delivered for the Billing month of Interim Demand Requirement

**21. Computation of True Cost Generation Rate (TCGR) Of New Generating Capacity**

$$TCGR_{NGC} = \frac{TMP_{NGC}}{E_{DEL\_NGC}} \cdot \frac{PHP}{KWH}$$

Where:

- $TCGR_{NGC}$  - True Cost Generation Rate (TCGR) Of New

|                |   |  |
|----------------|---|--|
|                |   | Generating Capacity  |
| $TMP_{NGC}$    | - | Total Monthly Payment of New<br>Generating Capacity  |
| $E_{DEL\_NGC}$ | - | Energy Delivered at 13.2 kV Metering Point (PBM)<br>for the Billing month of New Generating Capacity |

## 22. Monthly Payment of Buyer of Interim Demand Requirement and New Generating Capacity

$$\text{Payment of Buyer} = SAGR \times E_{DEL} + Taxes$$

Where:

|           |   |   |
|-----------|---|---|
| SAGR      | - | Subsidized Approved Generation Rate                                     |
| $E_{DEL}$ | - | Energy Delivered for the Billing month of Interim<br>Demand Requirement |
| Taxes     | - | Value Added tax and other applicable taxes                              |

## 23. Computation of Monthly UCME Subsidy Fee

$$SF = (TCGR - SAGR) \times E_{DEL} + TL$$

Where:

|           |   |  |
|-----------|---|--|
| SF        | - | Monthly Subsidy Fee                              |
| TCGR      | - | True Cost Generation Rate                        |
| SAGR      | - | Subsidized Approved Generation Rate, Php/kWhr    |
| $E_{DEL}$ | - | Energy Delivered at 13.2 kV Metering Point (PBM) |
| TL        | - | Transmission Line Loss                           |

## 24. Computation of Commissioning Fee

$$CF = VOMR \times E_{DEL} + FF$$

Where:

|    |   |                   |
|----|---|-------------------|
| CF | - | Commissioning Fee |
|----|---|-------------------|



VOMR - Variable Operation and Maintenance Rate  
FF - Fuel Fee

## SCHEDULE B – Delivery Points

| INTERIM DEMAND REQUIREMENT |   |
|----------------------------|---|
|                            | Delivery and Metering Point               |
| SAN JOSE                   | Pulang Lupa/13.2kV                        |
|                            | Magbay Substation/13.2kV                  |
| SABLAYAN                   | Eco-Park Substation/13.2kV                |
|                            | Pag-asa Substation/13.2kV                 |
| MAMBURAO                   | Tayamaan Substation/13.2kV                |
|                            | <b><i>Sta. Cruz Substation/13.2kV</i></b> |

*Note: Marked in bold and italic is the proposed Substation.*

| NEW GENERATING CAPACITY |  |
|-------------------------|--|
|                         | Delivery and Metering Point                  |
| SAN JOSE                | Magbay Substation/13.2kV                     |
|                         | <b><i>Pulang Lupa Substation/13.2kV</i></b>  |
|                         | <b><i>OMEKO Gate 4 Substation/13.2kV</i></b> |
| SABLAYAN                | Eco-Park Substation/13.2kV                   |
|                         | Pag-asa Substation/13.2kV                    |
| MAMBURAO                | Tayamaan Substation/13.2kV                   |
|                         | <b><i>Sta. Cruz Substation/13.2kV</i></b>    |

*Note: Marked in bold and italic are the proposed Substation.*



**OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.**  
San Jose, Occidental Mindoro



**"SCHEDULE F"**

**Demand (MW) and Energy (MWh) Forecast**

| Year | Demand (MW) |          |       | Energy (MWh) |         |         |
|------|-------------|----------|-------|--------------|---------|---------|
|      | SAMARICA    | Sablayan | MAPSA | Sablayan     | MAPSA   | Total   |
| 2019 | 15.69       | 3.59     | 5.82  | 19,340       | 31,361  | 135,255 |
| 2020 | 16.89       | 3.86     | 6.26  | 20,811       | 33,747  | 145,541 |
| 2021 | 18.10       | 4.14     | 6.72  | 22,309       | 36,177  | 156,021 |
| 2022 | 19.34       | 4.42     | 7.18  | 23,836       | 38,652  | 166,697 |
| 2023 | 20.60       | 4.71     | 7.64  | 25,391       | 41,174  | 177,574 |
| 2024 | 21.89       | 5.01     | 8.12  | 26,976       | 43,743  | 188,655 |
| 2025 | 23.20       | 5.31     | 8.61  | 28,590       | 46,361  | 199,944 |
| 2026 | 24.53       | 5.61     | 9.10  | 30,234       | 49,028  | 211,446 |
| 2027 | 25.89       | 5.92     | 9.61  | 31,910       | 51,745  | 223,162 |
| 2028 | 27.28       | 6.24     | 10.12 | 33,617       | 54,512  | 235,099 |
| 2029 | 28.69       | 6.56     | 10.64 | 35,356       | 57,332  | 247,260 |
| 2030 | 30.12       | 6.89     | 11.18 | 37,127       | 60,205  | 259,650 |
| 2031 | 31.59       | 7.23     | 11.72 | 38,932       | 63,132  | 272,272 |
| 2032 | 33.08       | 7.57     | 12.27 | 40,771       | 66,113  | 285,131 |
| 2033 | 34.60       | 7.91     | 12.84 | 42,644       | 69,151  | 298,231 |
| 2034 | 36.15       | 8.27     | 13.41 | 44,552       | 72,245  | 311,578 |
| 2035 | 37.73       | 8.63     | 14.00 | 46,496       | 75,398  | 325,174 |
| 2036 | 39.33       | 9.00     | 14.59 | 48,477       | 78,610  | 339,027 |
| 2037 | 40.97       | 9.37     | 15.20 | 50,495       | 81,882  | 353,139 |
| 2038 | 42.64       | 9.75     | 15.82 | 52,551       | 85,216  | 367,516 |
| 2039 | 44.34       | 10.14    | 16.45 | 54,645       | 88,612  | 382,163 |
| 2040 | 46.07       | 10.54    | 17.09 | 56,779       | 92,072  | 397,085 |
| 2041 | 47.83       | 10.94    | 17.75 | 58,953       | 95,597  | 412,288 |
| 2042 | 49.63       | 11.35    | 18.41 | 61,167       | 99,188  | 427,775 |
| 2043 | 51.46       | 11.77    | 19.09 | 63,423       | 102,847 | 443,554 |
| 2044 | 53.32       | 12.20    | 19.78 | 65,722       | 106,574 | 459,629 |
| 2045 | 55.22       | 12.63    | 20.49 | 68,064       | 110,371 | 476,005 |

Prepared by:

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CSD Manager

Noted by:

**CESAR E. MALDON**  
NEA Project Supervisor/  
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# SCHEDULE G – Penalties on Power Plant Outages

## 1. Penalty on Foregone Revenue

$$P_{FR} = \text{Unserved Energy}_{kWhr} \times \text{Distribution Rate}_{Php/kWh} + \text{TAXES}$$

Where:

|                                      |   |
|--------------------------------------|---|
| $P_{FR}$                             | - Penalty on Foregone Revenue   |
| Unserved Energy                      | - Unserved energy or undelivered energy due to power interruption caused by the Power Plant |
| Distribution Rate <sub>Php/kWh</sub> | - Average OMECO Distribution Rate in Php/kWh  |
| TAXES                                | - Applicable Taxes  |

## 2. Penalty on Contracted Capacity Reduction

$$P_{CR} = \text{Unavailable Capacity}_{kW/Mon} \times \text{CRR}_{Php/kW/Mon} + \text{TAXES}$$

Where:

|  |   |
|--|---|
| $P_{FR}$                               | - Penalty on Capacity Reduction         |
| Unavailable Capacity <sub>kW/mon</sub> | -The unavailable Capacity for the month |
| $CRR_{Php/kW/Mon}$                     | - ERC approved Capacity Recovery Rate   |
| TAXES                                  | - Applicable Taxes                      |