



INVITATION TO BID
FOR CONTRACT PERIOD
FROM 26 JANUARY 2017 TO 25 JANUARY 2037

Pursuant to the Department of Energy ("**DOE**") Circular No. DC2018-02-0003, Series of 2018 and the Supreme Court Decision in G.R. No. 227670, Manila Electric Company ("**Meralco**"), through the Third Party Bids and Awards Committee ("**TPBAC**"), **hereby invites all interested and qualified parties (each, a "Bidder") to participate in the competitive bidding ("Bidding") in respect of the following supply of electricity:**

Terms of Reference Table ("TOR Table")

	Past Contract Period	Prospective Contract Period
Contract Capacity and Required Contract Period	From 26 January 2017 to the later between 25 January 2022 and ERC approval	From the later between 26 January 2022 and ERC approval, to 25 January 2037, 70 MW (net)
Plant Type	Single brownfield power plant in commercial operations since 25 January 2017. For purposes of this bidding, "brownfield power plant in commercial operations" means the Bidder's Nominated Power Plant must be covered by a Certificate of Compliance (" COC ") from the Energy Regulatory Commission (" ERC ") and must be registered as a direct member of the WESM since at least 25 January 2017.	Baseload (firm and dispatchable for all trading intervals of the Required Contract Period)
Tariff Structure	Proposed Price shall not be higher than the tariff paid by Meralco under the Panay Energy Development	<ul style="list-style-type: none"> • Straight energy price (PhP/kWh); with the following bandwidths:

	Past Contract Period	Prospective Contract Period
	<p>Corporation (“PEDC”) Power Supply Agreement with Meralco dated 26 April 2016 (“PEDC PSA”), and the Levelized Cost of Electricity (“LCOE”) evaluation for the Past Contract Period shall be dependent on the actual dispatch of the PEDC PSA.</p> <p>For clarity, only the Proposed Price as stated by the Bidder shall be considered in the LCOE evaluation for the Past Contract Period, which Proposed Price shall not include the value added tax (VAT) rate, Line Rental cap, and Ancillary Services (AS) Cost recovery cap.</p>	<ul style="list-style-type: none"> - Proposed Minimum Energy Off-Take (“MEOT”), reckoned annually, should not exceed seventy-five percent (75%) of Plant Capacity Factor (PCF) with respect to the contracted capacity. Bidder has an option to indicate discount on the Proposed Price which shall be applied on excess energy above MEOT. - Only up to sixty percent (60%) of the annual Proposed Price can be escalated at a rate not greater than 3.5% annually. • Separate line item proposal for Bidder’s VAT rate that is applicable to its Proposed Price. • Separate line item proposal for Bidder’s annual Line Rental cap, which shall not exceed PhP0.10/kWh. • In view of DOE Circular No. DC2019-012-0018, an annual AS Cost recovery cap, as proposed by Bidder, with a floor value of PhP0.28/kWh, will be considered in computing the LCOE. However, the lower between actual AS cost and the AS Cost Recovery cap will be implemented only upon

	Past Contract Period	Prospective Contract Period
		<p>the effectivity of regulations that mandate a proportionate allocation of AS charges among affected generation companies, which is considered pass-through cost pursuant to existing government regulations.</p> <p>For clarity and consistent with the existing government regulations, the AS Cost for the Past Contract Period shall be set at PhP0.00/kWh.</p> <ul style="list-style-type: none"> • LCOE evaluation for the Prospective Contract Period shall be at 100% PCF.
		<ul style="list-style-type: none"> • Bidder's LCOE shall be computed based on the price for the entire Required Contract Period including the Past Contract Period and the Prospective Contract Period. • Bidder's Proposed Price and its LCOE are both subject to a pre-determined Reserve Price, which will only be revealed by the TPBAC to Qualified Bidders during the opening of the Bids.
Outage Allowance	N/A	<ul style="list-style-type: none"> • 100% guaranteed availability (no outage allowance) • In case Power Supplier cannot provide supply of power from its Nominated Power Plant or portfolio of Plants, WESM, or any other source, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PHP908) multiplied by each MWh during a Day, which shall be used

	Past Contract Period	Prospective Contract Period
		to reduce the generation charge to the consumers
Reduction in Contract Capacity	N/A	The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements.
Grounds for Termination	N/A	<ul style="list-style-type: none"> • Event of Default • Non-Fulfilment of Conditions to Effective Date • Certain Events of Force Majeure • Expiration of Term • Upon Mutual Agreement • Change in Circumstances
Disallowances and Refund	<ul style="list-style-type: none"> • If applicable, • Any variance between the rate provisionally approved by ERC for the PEDC PSA ("PA Rate") and the Proposed Price of the Winning Power Supplier (PS) is for account of the Winning PS. • If the rate finally approved by the ERC for the PEDC PSA is lower than the Proposed Price of Winning PS ("FA Rate"), then the variance between the: (a) FA Rate and Proposed Price of the Winning PS is for account of PEDC; and (b) PA Rate and Proposed Price of the Winning PS is for account of the Winning PS. • The variance, as applicable, shall be refunded/reimbursed to Meralco and will be reflected as reduction in the generation charge to consumers. For this purpose, Meralco, PEDC and the Winning PS shall execute an agreement to embody the appropriate refund mechanism. 	
Other Relevant Information	Should TPBAC receive less than two Expressions of Interest (as defined below) <u>by four o'clock in the afternoon (4:00 PM) of 15 October 2021 ("Expression of Interest Deadline")</u> , it shall declare a failure of the Bidding process.	

Parties interested to participate in the Bidding in order to become an Interested Bidder should submit, using the email of its authorized representative indicated in the Expression of Interest, a clearly scanned copy (.pdf file format) of an accomplished Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, in the form and substance made available on Meralco's website <<https://company.meralco.com.ph/csp/ongoingbids>>, to Meralco's **TPBAC-Secretariat through its email address: tpbacsecretariat@meralco.com.ph no later than 4:00 P.M. of 15 October 2021** ("Expression of Interest Deadline"). For this purpose, the subject of all email communications should start with "**70 MW CSP** – [*proceed to state subject matter*]" and the official time and date of receipt of the emailed submissions shall be the electronic time and date stamp of receipt by the TPBAC-Secretariat's email. Upon the TPBAC-Secretariat's receipt of said submission, subject to a later evaluation of the contents of the submitted documents, it will electronically acknowledge the receipt thereof. If the TPBAC-Secretariat finds that the submissions were properly made, it will then send to the concerned Interested Bidder the bank account details for the cash, manager's check deposit, or online fund transfer payment of the Participation Fee (defined below), with instruction for the transmittal of the scanned copy (.pdf file) of the proof of payment (e.g. cash/manager's check deposit slip, or online fund transfer acknowledgment). After the TPBAC Secretariat's validation of MERALCO's receipt of the Interested Bidder's proof of payment, the TPBAC-Secretariat shall then transmit by email to the Interested Bidder the corresponding scanned copy of the Official Receipt of the payment of the Participation Fee. This email will be accompanied by a link to a cloud-based online repository/folder containing its Bidding Documents, which shall be accessible and available only for that particular Interested Bidder through the registered email/s of its authorized representative/s indicated in its Expression of Interest and/or bidder-specific passwords. Should the TPBAC receive less than two (2) Expressions of Interest, it shall declare a failure of the Bidding process.

In order to become an Interested Bidder and obtain a copy of the Bidding Documents, payment by cash, manager's check deposit, or online fund transfer of a non-refundable fee of One Hundred Seventy Five Thousand Pesos (PHP175,000.00), *inclusive of VAT and net of creditable withholding tax* ("**Participation Fee**"), **must also be made no later than Expression of Interest Deadline**. If an interested party is a zero-rated VAT entity or exempt from VAT, it shall pay the Participation Fee exclusive of VAT together with a copy of the certificate issued by the Philippine Economic Zone Authority ("PEZA") or the Board of Investments ("BOI") that the payment of Participation Fee by such entity is subject to zero percent (0%) VAT, or a copy of certification that the said entity has exemption under special laws or international agreements which effectively subjects the payment of Participation Fee to zero percent (0%) VAT.

After the Expression of Interest Deadline, Interested Bidders shall no longer be allowed to change the details indicated therein, except the names or details of its authorized representative/s which may be done no later than five (5) days prior to the Pre-Bid Conference and/or the Bid Submission Deadline (both defined below).

The TPBAC shall conduct a Pre-Bid Conference at **1:30 P.M. to 4:30 P.M. on 22 October 2021** through virtual video conferencing. Prior to the Pre-Bid Conference, Interested Bidders are requested to submit advance queries or requests for clarifications to the Bidding Documents **on or before 4:00 P.M. of 19 October 2021** to the TPBAC-Secretariat through the following email address: tpbacsecretariat@meralco.com.ph and using the Bidder's queries/comments matrix template made available on Meralco's website. The TPBAC shall consolidate the said advance queries and prioritize the discussion thereof during the Pre-Bid Conference, however, if time permits, the TPBAC may entertain and discuss additional queries raised by the Interested Bidders. Only the Interested Bidder's authorized representative/s (not more than three (3) persons) indicated in the Expression of Interest are allowed to attend and participate in the Pre-Bid Conference, together with the invited DOE and ERC observers.

In order to qualify to bid, an Interested Bidder shall submit to the TPBAC-Secretariat, **on or before 9:00 A.M. of 19 November 2021** (the "**Bid Submission Deadline**"), by uploading to the cloud-based online repository/folder assigned to the Interested Bidder, three (3) separate and password-protected zip folder (.zip file) containing the scanned copies (.pdf file) of its (a) Qualification Documents (Envelope 1) to demonstrate its compliance with all the Legal and Financial Qualification Requirements; (b) Technical Proposal (Envelope 2); and (c) Bid Price (Envelope 3), which includes the Bid Security of Two Hundred Ten Million Pesos (Php210,000,000.00). As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 19 November 2021,** the Interested Bidder shall submit at the **Lobby, Lopez Building, Meralco Center, Ortigas Ave., Pasig City** the Original Copy of all the said documents, including the latest original copy of the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, all placed in a sealed box. Immediately after the Bid Submission Deadline, the TPBAC-Secretariat shall begin to switch the Interested Bidder/s' ability to edit/write/upload to the cloud-based online repository/folder to the read-only mode and the original copies of all documents submitted may no longer be replaced.

Thereafter, the opening, assessment and evaluation of the said bid submissions will proceed at **9:30 A.M. of 19 November 2021,** through virtual video conferencing, and will continue such opening, assessment and evaluation on such other day/s as may be determined by the TPBAC. During the opening of the bid documents, only when the Interested Bidder's name is called will it be instructed to email to the TPBAC-Secretariat the password for the pertinent zip folder/file to be opened by the TPBAC. Only the Interested Bidders that timely and completely submitted their bid documents (represented by their authorized representative/s named in their Expressions of Interest) by the Bid Submission Deadline in accordance with requirements and conditions specified in the Instructions to Prospective Bidders are allowed to attend and participate in the opening of the bid documents, together with the DOE and ERC observers invited by the TPBAC.

Late submissions and requests for additional time shall not be accepted/allowed in all stages of the Bidding.

CERTIFICATION

As Chairman of Meralco's Third Party Bids and Awards Committee (TPBAC), I hereby certify that this Invitation to Bid, including the Terms of Reference and its accompanying Bid Requirements, were circulated and approved by the TPBAC at Pasig City, Philippines.

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Atty. Ferdinand A. Domingo
Chairman