



BIDDING
CONTRACT CAPACITY OF 200 MW RE BASELOAD (AC, NET),
EFFECTIVE FEBRUARY 2026

BID BULLETIN NO. 3
(29 January 2026)

To all Interested Bidders:

A matrix containing the set of queries by Interested Bidders and the corresponding responses of Meralco's BAC-PSA are set out in **ANNEX A**.

The BAC-PSA considered all queries submitted on 22 January 2026. Queries received after 22 January 2026 were not recognized and responded to by the BAC-PSA. Interested Bidders are reminded to strictly observe the deadlines for this CSP.

For your guidance and information.

Bids and Awards Committee-Power Supply Agreements ("BAC-PSA")
Manila Electric Company

(sgd)

Lawrence S. Fernandez
Chairperson

FORMATTING/PROCEDURAL-RELATED QUERIES/COMMENTS					
	TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION	BAC-PSA's RESPONSE	
1.	Annex QD-1A		<p>Is the edit below allowed? Since the plant is still in T&C?</p> <p>AUTHORITY TO PARTICIPATE IN THE BIDDING AND DESIGNATION OF AUTHORIZED REPRESENTATIVE</p> <p>state that:</p> <ol style="list-style-type: none"> I am a Filipino, of legal age and a resident of Makati City. I am the duly elected Corporate Secretary (the "Company"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines; 	Yes, this will be allowed.	
2.	Annex QD-4		<p>Is the edit below allowed? Since there is no conflict of interest to declare.</p> <p>information in relation thereto, including but not limited to: a.) the nature thereof and, b.) to whom the conflict of interest applies./</p> <p>It has an existing, potential, or future conflict of interest with MERALCO's Bids and Awards Committee for the conduct of the CSP (the "BAC-PSA"), the details of which are as follows: (indicate details);</p> <p>I am executing this Sworn Attestation to attest to the truth of the foregoing and for whatever purpose it may serve.</p> <p>IN WITNESS WHEREOF, I have hereto set my hand this ____ day of _____, 20____, at _____.</p>	Yes, this is correct. There is no need to include this paragraph if there is no conflict of interest to declare.	
3.	Annex QD-4		<p>Can this be removed if the bidder has no existing conflict of interest with MERALCO?</p> <p>If, during the course of the CSP, the COMPANY has, or learns of, any existing, potential, or future conflict of interest with the BAC-PSA, the COMPANY hereby undertakes to disclose, within five (5) days from knowledge thereof, all detailed information in relation thereto, including but not limited to: a.) the nature thereof and, b.) to whom the conflict of interest applies./</p> <p>It has an existing, potential, or future conflict of interest with MERALCO's Bids and Awards Committee for the conduct of the CSP (the "BAC-PSA"), the details of which are as follows: (indicate details);</p>	<i>(Please see immediately preceding response.)</i>	
4.	IPB	Section 2.10.2	<p>Note: Please treat this inquiry as confidential.</p> <p>If any of the portfolio entities decide to participate as a combined portfolio by submitting a revised Expression of Interest (EOI) on or before the prescribed deadline, will such participation be allowed, or would it be considered a ground for disqualification?</p>	No, such arrangement will result in a Conflict of Interest and will be considered a ground for disqualification.	
5.	Annex Bid - 2	SBLC Format	<p>May we ask if the bank's edit is acceptable by MERALCO?</p>	As relayed by MERALCO to the BAC-PSA, all the proposed amendments starting on items / paragraphs 2 onwards are not acceptable. MERALCO takes the view that the terms and conditions provided in Annex BID-2 (or Standby Letter of Credit) are fair to both MERALCO and the Bidder's issuing bank, and the proposed changes would make MERALCO's right to file a claim more cumbersome.	

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			<p style="text-align: center;">[Letterhead of Issuing Bank]</p> <p style="text-align: center;">[Redacted]</p> <p>Manila Electric Company Philippines</p> <p>Place:</p> <p>Standby Letter of Credit No.</p> <p>Date:</p> <p>Dear Sirs:</p> <p>W [Redacted] (the "Issuer"), hereby establish our Irrevocable Standby Letter of Credit No. [•] (the "Letter of Credit") in your favor relating to the obligations of [insert name of Bidder] (the "Bidder") under the IPB for the supply of the Contract Capacity and associated energy for the Required Contract Period to Manila Electric Company ("Meralco") (the "Resulting PSA"), which shall be valid and effective until [date that is sixty (60) days after Bid Submission Date but not beyond one hundred eighty (180) days after Bid Submission Date].</p> <ol style="list-style-type: none"> 1. The maximum aggregate amount available under this Letter of Credit is Pesos (PbP) [specify amount] (the "Stated Amount"). 2. Subject to the other provisions of this Letter of Credit, Meralco is hereby irrevocably authorized to make one drawing for the entire Stated Amount <p style="text-align: center;">[Redacted]</p>	<p>As for the mention of the bank's "ref. details" after the letterhead, the bank's name at the opening paragraph, and bank's name and address in item / paragraph 2, these are allowed.</p>

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			<p>3. The Issuer shall be deemed to have honoured a drawing hereunder if the Issuer deposits the amount of such drawing in the account (the "Designated Account") designated by Meralco in accordance with Annex A. Any such drawing made hereunder shall be free and clear of all interest and charges and any sums due to the Issuer.</p> <p>4. We hereby agree to honour the drawing hereunder made in compliance with this Letter of Credit notwithstanding any objection that the Bidder might raise against Meralco's entitlement to payment, by transferring in immediately available funds to the Designated Account the amount specified in a demand for payment at the opening of business no later than the fifth Business Day succeeding the date of such demand. As used herein, the term "Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in Metropolitan Manila, Philippines are authorized or obligated by law or executive order to remain closed.</p> <p>5. If the demand for payment hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give prompt notice to Meralco that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold the documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, Meralco may attempt to correct the non-conforming demand and re-submit such demand in accordance with the terms and conditions hereof.</p> <p>6. This Letter of Credit shall expire, unless otherwise extended in accordance with the provisions hereof, on the earliest of (i) 3 p.m. at the place of presentation on [insert date that is sixty (60) days after Bid Submission Date but not beyond one hundred eighty (180) days after Bid Submission Date], or (ii) the date on which we have honoured a drawing in an amount equal to the Stated Amount, or (iii) the date when we receive a written notice from Meralco that a replacement letter of credit, which is in full force and effect, has been substituted for this Letter of Credit, or (iv) the date when we receive a written notice from Meralco that it is cancelling this Letter of Credit (the "Expiration Date").</p> <p>7. All documents presented to the Issuer in connection with a drawing hereunder, as well as all notices and other communications to the Issuer in respect of this</p>	

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

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				<p>Letter of Credit, shall be in writing and addressed and presented to the Issuer at its address set forth above. Such documents, notices, and communications shall make specific reference to this Letter of Credit by number. Such documents, notices, and other communications may be delivered or sent by courier to the Issuer at its address set forth above, or at such other address as the Issuer shall have specified in writing to Meralco, or sent to the Issuer to the following contact information:</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>8. This Letter of Credit may not be cancelled or amended without the prior written consent of the Issuer and Meralco.</p> <p>9. This Letter of Credit sets forth our undertaking and our agreement with Meralco and such undertaking and such agreement may not in any way be modified, amended, amplified, or limited by reference to any other document, instrument, or agreement referred to herein.</p> <p>10. The Issuer hereby agrees that it shall have no recourse to Meralco if the Bidder fails at any time to pay any amounts which may from time to time be due and payable by it to the Issuer in relation to this Letter of Credit.</p> <p>11. References in this Letter of Credit to the IPB or any other document or instrument, except to the Annexes hereto, are for identification purposes only. The IPB and such other documents and instruments are not incorporated herein, nor are they made a part of this Letter of Credit.</p> <p>12. This Letter of Credit is issued subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP 98"), <u>and as to matters not addressed by ISP98, shall be governed by the laws of the Republic of the Philippines and construed in accordance with said laws, without regard to principles of conflicts of law.</u> If this Letter of Credit should expire during an interruption of our business, the Issuer hereby agrees to honour any demand presented in accordance with this Letter of Credit within thirty (30) days after the resumption of our business.</p> <p><u>13. This Letter of Credit is neither assignable nor transferrable without the Issuer's prior written consent.</u></p> <p>14. <u>The Issuer's obligations hereunder (including the obligation to pay any</u> [REDACTED] <u>governmental actions, orders, decrees or regulations).</u></p> <p>IN WITNESS WHEREOF, we have caused these presents to be executed in our name on this day of.</p> <p>[Issuing Bank]</p> <p>By</p> <p>_____ Authorized Representative -----</p>	
6.		Instructions to Prospective Bidders	Title/ Cover Page	<p>"Meralco to please confirm what is the official and final title of the CSP to be indicated in the envelope labels and in the documents: Which of these is correct:</p> <p>(a) Contract Capacity of 200 MW RE Baseload (AC, NET), Effective February 2026</p> <p>(b) Contract Capacity of 200 MW (AC, NET), Effective February 2026</p>	Please use "Contract Capacity of 200 MW RE Baseload (AC, NET), Effective February 2026" as title / label.

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				(c) Competitive Selection Process (CSP) for Contract Capacity of 200MW (AC, NET), Effective February 2026 (d) 200 MW RE Baseload Requirement Effective February 2026 (e) MERALCO 200 MW CSP (f) Renewable Energy Contract Capacity of 200 MW (AC, NET), Effective February 2026 (g) none of the above, please specify _____;	
7.		IPB	Cover page and Annex QD-7-A of	Please clarify that title of the CSP to be used in Annex AD-7-A is for 200 MW (AC, net, effective 26 January 2026) ("200 MW RE Baseload Requirement Effective 26 January 2026") as stated on page 1 of the IPB.	<i>(Please see immediately preceding response above)</i>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS					
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8.		Annex QD-1A	General Query	Does Annex QD-1A already serve as the Secretary's Certificate , or is the bidder required to submit a separate Secretary's Certificate attached to Annex QD-1A?	Yes, Annex QD-1A is already sufficient for this CSP's purpose.
9.		Annex QD-1A		May we kindly confirm whether the attached Secretary's Certificate for [Bidder] is acceptable and may be directly reflected in Annex QD-1A, or if it should instead be submitted as a separate attachment to Annex QD-1A: <i>(Bidder attached the soft copy files upon submission of this question)</i>	The attached Secretary's Certificate is not acceptable. Please submit Annex QD-1A without revisions. The submission of such Annex QD-1A is already sufficient for this CSP's purpose, even without attaching the Secretary's Certificate.
10.		General Query	Item 23 of Bid Bulletin 2	Clarification on Item 23 of Bid Bulletin No. 2 , specifically on the BAC's response regarding plant nomination. May we clarify whether a power plant that is currently under Testing and Commissioning ("T&C") may be nominated? If allowed, may we submit alternative documents that are not yet available for the plant under T&C, such as: <ul style="list-style-type: none"> • Documents from a reference plant, or • Documents from a plant that has already achieved COD? Or, we should submit all documents pertaining to the Reference Plant?	If the Nominated Plant is still under T&C but is expected to be commercially operating by OED, Bidder must still submit the required documents that pertains to the plant that is under T&C. The Bidder can submit a certified write-up / explanation, for the BAC-PSA's evaluation, that some required documents in the IPB / Bid Requirements are not yet available since the Nominated Plant is still under T&C but that the said plant is expected to be commercially operating by OED.
11.		IPB	Annex Bid-2 Bid Security and Annex A to Annex Bid-2 Demand for Sight Payment pages 88-91	<ol style="list-style-type: none"> 1. The issuing bank has no way to validate if the signatory on the Letter of Demand for Sight Payment is indeed authorized to sign for Meralco. Will Meralco submit a Secretary's Certificate along with the Demand Letter? 2. What business interruption would warrant the grace period under clause 12 of the prescribed Bid Security template? 	As relayed by MERALCO to the BAC-PSA, MERALCO has active working relationships with those banks listed in Schedule 1 - List of Allowable Banks of the IPB, therefore, those banks will have copies of MERALCO's Secretary's Certificate and other Know Your Customer (KYC) documents. The issuing bank would be able to contact MERALCO for those type of queries upon MERALCO's filing of a claim on the SBLC.
12.		Bid Bulletin No. 2	MERALCO Response/ Item 21/ Page 3	We would like to seek further clarification on your response stating that, " For this CSP ONLY, only those for working capital facilities. " (a) May we confirm whether the working capital facilities to be disclosed refer only to facilities that are specifically required or intended for the implementation of this CSP, and not working capital facilities obtained for the bidder's general /regular plant operations? (b) In this regard, if the bidder's existing working capital facilities were obtained to support the overall operational requirements of the plant and loans were entered into more than five (5) years ago, may we confirm that there's no need to submit these requirements under THE LIST OF FINANCIAL LENDERS?	The working capital facilities for the bidder's general / regular plant operations is also included, especially if the general / regular plant operations is considered the bidder's "implementation of a power supply or off take agreement" of such power plant. The provision of the requirement explains this by stating that what should be included in the list are those "which was commenced or in the process of implementation within the last five (5) years prior to the Bid Submission Deadline. Such project(s) and contract(s) shall only refer to power supply or off take agreements and financing documents with creditors in connection with the development and implementation of the said power supply or off take agreements. "
13.		IPB and Bid Bulletin No. 2 Annex A (page 3)	Annex A of QD-7, in relation to Section 3.1.3. page 71 of IPB	Bid Bulletin No. 2 item 21 query states that: "For financial lenders, the requirements state that it should be the past 5 years. Should lenders, whose contracts are more than 5 years but still have outstanding balances now, be included?" BAC response is "No, only the past 5 years." Please confirm that if the loan agreement was executed in 2018 (more than 5 years ago), Bidder may no longer include this loan agreement in Annex A of QD-7 even if there is outstanding loan balance as of date.	<i>(After revisiting this requirement, please see the immediately preceding response.)</i>

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				If the plant is thermal? What is an alternative documentation to be submitted? Or a certificate or write-up of non-applicability will suffice?	the registration in the REM and access to the PREMS of the Bidder's Affiliate that is a RECs-eligible RE power plant. If still not available, the Bidder must submit a certified write-up / explanation as to where, when, and how it will procure its Guaranteed RECs. The rationale of this requirement is that even if the Bidder will nominate a thermal power plant or has no Affiliate with a RECs-eligible power plant, MERALCO can be assured that the Guaranteed RECs obligation of the Power Supplier can still be fulfilled.
21.		IPB	Section 3.2 (d) page 28	Does "if applicable" mean if available such that if Bidder is not registered with the Philippine Renewable Energy Market System (PREMS), it may provide a certification on non-applicability.	<i>(Please see the immediately preceding response.)</i>
22.		Instructions to Prospective Bidders	p. 57-58, Annex QD-1A, Resolutions	<p>Per Item 20 of the Bid Bulletin No. 2, "It is recommended to first submit the proposed template to the BAC-PSA for its review and approval."</p> <p>May we ask the BAC-PSA if the following resolutions are sufficient?</p> <p>RESOLVED, AS IT IS HEREBY RESOLVED, that the (name of owner of the Nominated Plant) (the "Company") be, and is hereby, authorized to participate in the Bidding to make available the Contract Capacity and supply associated energy, under the terms and conditions set out in the PSA template, to the Manila Electric Company pursuant to its [TITLE OF THE CSP] ("Resulting PSA");</p> <p>RESOLVED FURTHER, that (Names of authorized representatives) are hereby appointed as the authorized representatives of the Company during the Bidding, each authorized to execute, sign, submit and received documents for, and otherwise act in the name of the Company;</p> <p>RESOLVED FURTHER, that any one of the officers of the Company is hereby authorized to certify documents as true and correct copies of their originals;</p> <p>RESOLVED FURTHER, that in the event the Company is declared as the Winning Power Supplier, the Company commits to fulfill all the Post-Qualification compliances, if deemed necessary by the BAC-PSA including the execution of the Power Supply Agreement with the Manila Electric Company;</p> <p>RESOLVED FURTHER, that with respect to the execution of the Resulting PSA, any two (2) of the following persons, signing jointly, are hereby designated as the authorized representatives and signatories of the Corporation, granting such persons the power and authority to negotiate, arrange, secure, execute, sign, deliver and perform, for and on behalf of the Company, any and all documents, instruments, agreements, acts and/or deeds necessary or convenient in connection with the execution and performance of the Resulting PSA, under such terms and conditions as such authorized representatives may deem fit:</p> <p>[xxx]</p> <p>RESOLVED FINALLY, that any and all acts done or performed by the foregoing persons under and by virtue of this resolution be, as they are hereby, confirmed and ratified.</p>	Yes, the proposed amendments for this bidder will be allowed.
23.		Instructions to Prospective Bidders	p. 64, Annex QD-4, Conflict of Interest	Per Items 73 and 76 of Bid Bulletin No. 2, may we ask for the list of members of the BAC-PSA, TWG, and Secretariat, and the names of all other persons whom bidders should have no conflict of interest with?	The list of members of the BAC-PSA, its Technical Working Group, and the Secretariat, in relation to Annex QD-4 vis-à-vis item 73, Annex A of Bid Bulletin No. 2 were provided to all authorized representatives of Interested Bidders by email on 16 January 2026 at 4:10 PM.

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					For this bidder that submitted this question, an acknowledgement email was received by the BAC-PSA Secretariat on 16 January 2026 at 4:18 PM.
24.		Instructions to Prospective Bidders	p. 88, ANNEX BID-2, Bid Security Form	Please provide details or kindly confirm if "PLACE:" is the issuing bank's address (mentioned in item no. 2 ("at its address set forth above") and 7 ("and presented to the Issuer at its address set forth above")).	Yes, this is correct.
25.		Instructions to Prospective Bidders	p. 88, ANNEX BID-2, Bid Security Form	Can the bank indicate an exact date in the format "Month XX, 202X" in the bid validity? ...shall be valid and effective until [Month XX, 202X].	Yes, this will be allowed, "provided it shall be initially valid for sixty (60) days from the Bid Submission Deadline but in no case beyond one hundred eighty (180) days from the Bid Submission Deadline." (Sec. 3.3.1., IPB).
26.		Instructions to Prospective Bidders	p. 88, ANNEX BID-2, Bid Security Form	Request to include the bank's standard drawing requirements (in red) in item no. 2. 2. Subject to the other provisions of this Letter of Credit, Meralco is hereby irrevocably authorized to make one drawing for the entire Stated Amount under this Letter of Credit by presenting to the Issuer, at its address set forth above, the Original copy of the Irrevocable Domestic Standby Letter of Credit No. XXXXXXXXXXXXXXXX and amendments, if any, and a notarized demand for payment from Meralco in substantially the form attached as Annex A, duly completed, and is in the form of a letter on Meralco's letterhead signed by any of its authorized signatories.	As relayed by MERALCO to the BAC-PSA, all of the proposed amendments starting on item / paragraphs 2 onwards are not acceptable. MERALCO takes the view that the terms and conditions provided in Annex BID-2 (or Standby Letter of Credit) are fair to both MERALCO and the Bidder's issuing bank, and the proposed changes would make MERALCO's right to file a claim more cumbersome.
27.		IPB Annex QD-8	Page 75	For the computation of the PCF , may we clarify whether this is net of outages or inclusive of outages ? Specifically: <ul style="list-style-type: none"> • Is the PCF computed using the usual formula: <i>Total Generation / (Installed Capacity × Billing Hours)</i>, or • Is it based on a net operating factor, excluding outage hours: <i>Total Generation / [Installed Capacity × (Billing Hours – Outage Hours)]?</i> 	PCF is computed inclusive of outages, meaning it shall follow this formula: Total Generation / (Installed Capacity x Billing Hours)
28.		Annex Bid - 2	SBLC Format	May we ask if the bank's edit is acceptable by MERALCO?	As relayed by MERALCO to the BAC-PSA, all of the proposed amendments starting on item / paragraph 2 onwards are not acceptable. MERALCO takes the view that the terms and conditions provided in Annex BID-2 (or Standby Letter of Credit) are fair to both MERALCO and the Bidder's issuing bank, and the proposed changes would make MERALCO's right to file a claim more cumbersome. As for the mention of the bank's "ref. details" after the letterhead, the bank's name at the opening paragraph, and bank's name and address in items / paragraphs 2 and 7, these are allowed.

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[Letterhead of Issuing Bank]

Manila Electric Company
Philippines

Place:

Standby Letter of Credit No.

Date:

Dear Sirs:

We, [redacted] (the "Issuer"), hereby establish our Irrevocable Standby Letter of Credit No. [] (the "Letter of Credit") in your favor relating to the obligations of [insert name of Bidder] (the "Bidder") under the IPB for the supply of the Contract Capacity and associated energy for the Required Contract Period to Manila Electric Company ("Meralco") (the "Resulting PSA"), which shall be valid and effective until [date that is sixty (60) days after Bid Submission Date but not beyond one hundred eighty (180) days after Bid Submission Date].

1. The maximum aggregate amount available under this Letter of Credit is Pesos (PhP) [specify amount] (the "Stated Amount").
2. Subject to the other provisions of this Letter of Credit, Meralco is hereby irrevocably authorized to make one drawing for the entire Stated Amount

[redacted] Meralco in substantially the form attached as Annex A, duly completed, and is in the form of a letter on Meralco's letterhead purportedly signed by any of its authorized signatories accompanied with the original copy of this Letter of Credit.

3. The Issuer shall be deemed to have honored a drawing hereunder if the Issuer deposits the amount of such drawing in the account (the "Designated Account") designated by Meralco in accordance with Annex A. Any such drawing made hereunder shall be free and clear of all interest and charges and any sums due to the Issuer.
4. We hereby agree to honor the drawing hereunder made in compliance with this Letter of Credit notwithstanding any objection that the Bidder might raise against Meralco's entitlement to payment, by transferring in immediately available funds to the Designated Account the amount specified in a demand for payment at the opening of business no later than the fifth Business Day succeeding the date of such demand. As used herein, the term "Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in Metropolitan Manila, Philippines are authorized or obligated by law or executive order to remain closed.
5. If the demand for payment hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give prompt notice to Meralco that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold the documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, Meralco may attempt to correct the non-conforming demand and re-submit such demand in accordance with the terms and conditions hereof.
6. This Letter of Credit shall expire, unless otherwise extended in accordance with the provisions hereof, on the earliest of (i) 3 p.m. at the place of presentation on [insert date that is sixty (60) days after Bid Submission Date but not beyond one hundred eighty (180) days after Bid Submission Date], or (ii) the date on which we have honored a drawing in an amount equal to the Stated Amount, or (iii) the date when we receive a written notice from Meralco that a replacement letter of credit, which is in full force and effect, has been substituted for this Letter of Credit, or (iv) the date when we receive a written notice from Meralco that it is cancelling this Letter of Credit (the "Expiration Date").
7. All documents presented to the Issuer in connection with a drawing hereunder, as well as all notices and other communications to the Issuer in respect of this

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INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS					
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				<p>Letter of Credit, shall be in writing and addressed and presented to the Issuer at its address set forth above. Such documents, notices, and communications shall make specific reference to this Letter of Credit by number. Such documents, notices, and other communications may be delivered or sent by courier to the Issuer at its address set forth above, or at such other address as the Issuer shall have specified in writing to Meralco, or sent to the Issuer to the following contact information:</p> <p style="background-color: black; color: black;">[REDACTED]</p> <p>8. This Letter of Credit may not be cancelled or amended without the prior written consent of the Issuer and Meralco.</p> <p>9. This Letter of Credit sets forth our undertaking and our agreement with Meralco and such undertaking and such agreement may not in any way be modified, amended, amplified, or limited by reference to any other document, instrument, or agreement referred to herein.</p> <p>10. The Issuer hereby agrees that it shall have no recourse to Meralco if the Bidder fails at any time to pay any amounts which may from time to time be due and payable by it to the Issuer in relation to this Letter of Credit.</p> <p>11. References in this Letter of Credit to the IPB or any other document or instrument, except to the Annexes hereto, are for identification purposes only. The IPB and such other documents and instruments are not incorporated herein, nor are they made a part of this Letter of Credit.</p> <p>12. This Letter of Credit is issued subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP 98"), <u>and as to matters not addressed by ISP98, shall be governed by the laws of the Republic of the Philippines and construed in accordance with said laws, without regard to principles of conflicts of law.</u> If this Letter of Credit should expire during an interruption of our business, the Issuer hereby agrees to honour any demand presented in accordance with this Letter of Credit within thirty (30) days after the resumption of our business.</p> <p><u>13. This Letter of Credit is neither assignable nor transferrable without the Issuer's prior written consent.</u></p> <p><u>14. The Issuer's obligations hereunder (including the obligation to pay any</u> [REDACTED] <u>governmental actions, orders, decrees or Regulations).</u></p> <p>IN WITNESS WHEREOF, we have caused these presents to be executed in our name on this day of.</p> <p>[Issuing Bank]</p> <p>By</p> <p>_____ Authorized Representative -----</p>	
29.		IPB and Bid Bulletin No. 2 Annex A (page 16)	Annex QD-6. Page 67 of IPB	<p>Since this is a Financial PSA, can Bidder's uncontracted capacity eligible for the Bidding be equal to zero? In this case, Annex QD-6 will state that this is zero.</p>	<p>If the Bidder is in a situation where it really has no uncontracted capacity to declare/certify that is eligible for the Bidding and will just source from the WESM (or some other arrangement with other power plant/s), then the Bidder must submit a certified write-up / declaration as to where, when, and how it will get the capacity to supply to MERALCO for the resulting PSA if it is declared a Winning Power Supplier, as well as where, when, and how it will procure its Guaranteed RECs.</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS					
		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
30.		IPB and Bid Bulletin No. 2 Annex A (page 16)	Annexes QD-5 Page 66 of IPB	<p>If Nominated Plant of Bidder is not an Eligible RE Plant and Bidder cannot determine as of date if it will source any portion of the Offered Contract Capacity from an Eligible RE Plant, please confirm that Annex QD-5 will not be applicable.</p> <p>Further, please confirm that notwithstanding this submission, Bidder is not prevented during the term of the PSA to secure a portion of the Contract Capacity from an Eligible RE Plant.</p>	<p>1) Yes, if the Bidder's Nominated Plant is not an Eligible RE Plant and Bidder cannot determine as of date if it will source any portion of the Offered Contract Capacity from an Eligible RE Plant, then a write-up / explanation of the non-applicability of Annex QD-5 will suffice.</p> <p>2) Yes, since this CSP is for a purely financial PSA, the Bidder is not prevented during the Term of the PSA to secure a portion of the Contract Capacity from an Eligible RE Plant.</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

PSA TEMPLATE-RELATED QUERIES/COMMENTS					
	BIDDER	TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
31.	GNPK	PSA	Article 10, Section 10.2(b) Page 20 Appendix D, B.2	Please clarify whether the amount to be reimbursed by the Power Supplier is the net amount after any NSS recovery.	No. The Article refers exclusively to line rental charges. Specifically, Article 10.2(b) provides only that: "Actual WESM line rental charges or line rental cap provided in Table 1, Schedule 1, Appendix D, whichever is lower. For clarity, Meralco shall settle the full line rental amount with the Market Operator and any excess in the amount of the line rental cap, as calculated in accordance with Appendix D, shall be reimbursed by Power Supplier to Meralco;"
32.	GNPK	PSA	Appendix F, Section 6.2/6.3/ Page 74	Given that there is a corresponding penalty for any error, please confirm if MERALCO is amenable to revise this portion. Specifically, we propose that the Power Supplier provide MERALCO of its BCQ confirmation prior to submission, for MERALCO's confirmation. With this, MERALCO's confirmation will serve as the Power Supplier's basis for the BCQ to be submitted to the Market Operator. MERALCO shall no longer have an obligation to inform or review the BCQ after final submission. However, the Power Supplier acknowledges that it shall remain liable and be subjected to penalties should it fail to reflect the corrected BCQ as confirmed by MERALCO.	As relayed by MERALCO to the BAC-PSA, it is not amenable to the proposed revision. As presently worded, Appendix F Sections 6.1 and 6.2 already expressly require the Power Supplier to ensure that its BCQ declarations accurately reflect Meralco's day-ahead nominations. Accordingly, the proposed amendment is unnecessary and does not introduce any additional obligation beyond what is already mandated under the existing provisions.
33.	TLI	PSA	4.6.2	Monthly reckon and monthly transfer of RECs and shall have expiry of no earlier than 18 months reckoned from date of lodging to PREMS account of Meralco. Question: May we request MERALCO to consider allowing an annual REC transfer? Given the intermittent and seasonal nature of renewable energy generation, an annual mechanism would allow the supplier to catch up on any temporary shortfalls identified during monthly reconciliation, while still ensuring full annual compliance with REC requirements	As currently worded, Article 4.6.2 expressly provides Meralco the discretion, on a case-to-case basis, to consider a longer period for the transfer of RECs.
34.	GNPK	Bid Bulletin No. 2	MERALCO Response/ Item 148/ Page 27	Please confirm whether such regulation will include methodology and subject to the Supplier's conformity. Please also clarify whether such guideline will be established along with the PPSA.	As relayed by MERALCO to the BAC-PSA, it cannot speculate on the methodology or the need for Power Supplier's conformity to implement the Reduction in Contract Capacity and Associated Energy under Article 8 of the PSA that may be included in the relevant guidelines. Nevertheless, consistent with previous response, MERALCO shall be guided by (a) regulations prevailing at the time of any reduction of Contract Capacity and Associated Energy; and (b) its least cost mandate to consumers under the EPIRA.
35.	GNPK	Bid Bulletin No. 2	MERALCO Response/ Item 154/ Page 28	If the latest available NGCP-approved GOMP of the Plant will be the basis for the validation of any claims related to EFM, can the Power Supplier resubmit a revised schedule as approved by the SO?	Yes, the Bidder can submit a revised Maintenance Plan as long as it is approved by the SO.
36.	FGHPC	Power Supply Agreement	p. 56, Appendix, Form of Performance Bond	Request to include the bank's standard drawing requirements (in red). ...FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO MANILA ELECTRIC COMPANY ("YOU" OR THE "BENEFICIARY") UPON OUR RECEIPT OF ORIGINAL COPY OF THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. XXXXXXXXXXXXXXXX AND AMENDMENTS, IF ANY, AND A NOTARIZED CERTIFICATE IN THE FORM OF EXHIBIT A ATTACHED HERETO...	As relayed by MERALCO to the BAC-PSA, it prefers to retain the language of the Form of Performance Bond given that requirement that certificate be notarized is an additional step that may hamper timely drawing of the instrument.
37.	FGHPC	Power Supply Agreement	p. 56, Appendix, Form of Performance Bond	Request to include (in red). TRANSFER. THIS LETTER OF CREDIT IS TRANSFERABLE ONCE AND IN WHOLE UPON DELIVERY TO US OF THIS LETTER OF CREDIT ACCOMPANIED BY A NOTICE OF TRANSFER IN THE FORM ATTACHED AS EXHIBIT B. ..	As relayed by MERALCO to the BAC-PSA, it prefers to retain the language of the Form of Performance Bond as proposed wording will limit its ability to transfer the bond.

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38.	FGHPC	Power Supply Agreement	p. 57-58, Appendix, Form of Performance Bond	<p>Request to delete (in red strikethrough).</p> <p>ALL DOCUMENTS PRESENTED TO US IN CONNECTION WITH ANY DEMAND FOR PAYMENT HEREUNDER, AS WELL AS ALL NOTICES AND OTHER COMMUNICATIONS TO US IN RESPECT OF THIS LETTER OF CREDIT SHALL BE IN WRITING AND ADDRESSED AND PRESENTED TO US ATx` OUR OFFICE AT BANK OF THE PHILIPPINE ISLANDS, TRADE & SUPPLY CHAIN OPS. DEPT. 3F BPI BUENDIA CENTER, 372 SEN. GIL PUYAT AVE., MAKATI CITY 1209 PHILIPPINES, SPECIFICALLY REFERRING TO THE NUMBER AND DATE OF THIS LETTER OF CREDIT. SUCH DOCUMENTS, NOTICES AND OTHER WRITTEN COMMUNICATIONS MUST BE: (A) PERSONALLY DELIVERED TO US; OR (B) SENT TO US BY FACSIMILE TO: [FAX NUMBER] AND PROMPTLY CONFIRMED BY ELECTRONIC MAIL FROM THE AUTHORIZED SIGNATORY TO: [EMAIL ADDRESS]. IF DELIVERY IS MADE IN ACCORDANCE WITH SUB-CLAUSE (B), YOU SHALL ALSO DELIVER AN ORIGINAL OF SUCH DOCUMENT, NOTICE AND OTHER WRITTEN COMMUNICATION BY OVERNIGHT MAIL TO THE ADDRESS PROVIDED ABOVE, PROVIDED THAT OUR HONORING OF DEMAND IN ACCORDANCE WITH THE DEMAND PROCEDURES IS NOT CONDITIONAL ON OUR RECEIPT OF SUCH ORIGINAL.</p> <p>WE MAY FROM TIME TO TIME MODIFY THE FACSIMILE NUMBER AND E-MAIL ADDRESS SET FORTH ABOVE BY WRITTEN NOTICE TO YOU.</p>	As relayed by MERALCO to the BAC-PSA, it prefers to retain the language of the Form of Performance Bond as proposed wording will limit allowed mode of communication for the notices.
39.	EDC	Power Supply Agreement	p. 16, Sec. 4.6.2	<p>What is the penalty to the Power Supplier for failing to provide Guaranteed RECs?</p>	<p>Please see (A) Section 4.6.4, and (B) Section 16.1 (a) of the PSA, quoted below for convenient reference. As to (A), Power Supplier is liable for all liabilities/penalties that MERALCO shall incur for Power Supplier's failure to provide the Guaranteed RECs. As to (B), failure to provide Guaranteed RECs constitutes as a Power Supplier Event of Default and, if not remedied, shall give MERALCO right to terminate the PSA and pursue any remedies available to it.</p> <p>Section 4.6.4:</p> <p>4.6.4 Power Supplier shall be responsible for any liability, fines and/or penalties that Meralco may incur for Power Supplier's failure to comply with Section 4.6.2.</p> <p align="center">xxx</p> <p>16.1. Power Supplier Events of Default</p> <p>Each of the events described below shall constitute a "Power Supplier Event of Default", provided that, such event (with the exception of Section 16.1.(a) and (e)) results in or is accompanied by an actual failure by Power Supplier to make available the Contract Capacity and deliver the Associated Energy or any portion thereof, to Meralco, in accordance with this Agreement:</p> <p>(a) Power Supplier fails to perform any material obligation under this Agreement, (including the making of any payment which is due, or failure to provide the Guaranteed RECs as required under Section 4.6.2) which failure has not been remedied within</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

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					<p>thirty (30) Days after receipt from Meralco of a written notice of Power Supplier Event Default;</p> <p align="center">xxx</p> <p>If, within one hundred eighty (180) Days after Power Supplier's receipt from Meralco of written notice of Power Supplier Event of Default (the "Curing Period"), such Power Supplier Event of Default has not been remedied by Power Supplier, Meralco may terminate this Agreement and pursue any remedy available to it under this Agreement, at law or in equity. For clarity, notwithstanding the periods indicated in Section 16.1 (a) to (f), Power Supplier may remedy the Event of Default for the duration of the Curing Period."</p>
40.	EDC	Power Supply Agreement	<p>p. 21, Article 11 Charges Due to Material Adverse Government Action</p>	<p>"Propose to replace Material Adverse Government Action with Change in Circumstance as follows, to be more balanced for both Parties:</p> <p>WHERE:</p> <p>Change in Circumstances means:</p> <p>(a) any Law coming into effect after the signing of this Agreement, including the adoption or enactment, or any change or repeal with respect to the imposition of taxes, duties, levies, fees, charges and similar impositions, and the right to remit or convert currencies, but in all cases excluding any Legal Requirement or the application or interpretation thereof in existence at such date but which by its explicit terms became effective only after the date of this Agreement; or</p> <p>(b) the amendment, modification, repeal or withdrawal of any Law (including any official interpretation thereof which the Parties have relied upon in entering into this Agreement) in force at the date hereof; or</p> <p>(c) the application, enforcement, interpretation or implementation of any Law by a Governmental Instrumentality at any time after the date of this Agreement</p> <p>which causes or may cause serious damage to, or materially and adversely affects the financial condition of, any of the Parties.</p> <p>For the avoidance of doubt, changes or variations over time of the costs of operation of Power Supplier or Meralco or variations over time of the market prices or the values of electricity shall not in themselves constitute a Change in Circumstances.</p> <p>=====</p> <p>Articel 11 proposed to be replace with the following:</p> <p>Article 11 Charges Due to Change in Circumstances</p> <p>11.1 If as a result of Change in Circumstances, Meralco becomes liable to pay any new charges, fees, taxes, duties, assessments or other similar amounts ("New Charges"), or any increase in existing charges, fees, taxes, duties, assessments, or other similar amounts ("Increased Charges") becomes payable with respect to this Agreement, the New Charges or</p>	<p>As relayed by MERALCO to the BAC-PSA, MERALCO prefers to retain its own language. The language not only already captures instances when there is Change in Law and Directive but also already provides adequate remedies to the Parties. These MAGA provisions have been present in MERALCO's recent ERC-approved PSAs.</p>

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			<p>Increased Charges shall form part of the Contract Price that Meralco will charge to its customers. For clarity, any change in applicable VAT shall not be deemed a Change in Circumstance under this Article.</p> <p>11.2 In the event that, as a result of Change in Circumstances and pursuant to a corresponding order of the ERC or any relevant Government Instrumentality:</p> <p>(a) Meralco is prevented from making a timely pass through to its customers of any charges under this Agreement as approved by the ERC in the ERC Approval as accepted by Power Supplier (such amounts referred to hereinafter as "Disallowed Pass-Through Amounts"); or</p> <p>(b) any portion of the Contract Price that has been paid to Power Supplier is required to be refunded to Meralco or Meralco's customers in connection with the ERC Application or any petition, claim, case, proceeding or other action involving any of the Parties brought before any judicial, administrative or quasi-judicial body (such portion of the Contract Price referred to hereinafter as "Refundable Amounts"),</p> <p>the Parties shall enter into good faith negotiations to agree on a satisfactory solution regarding the amendment of this Agreement to restore Meralco's commercial position prior to such Change in Circumstances, including an adjustment of the Contract Price; provided that in the case of Section 11.2(b), Power Supplier shall refund all Refundable Amounts to Meralco or Meralco's customers in the manner and within the period as required by the ERC or any other relevant Governmental Instrumentality (as applicable). If the Parties fail to reach a mutually satisfactory resolution within sixty (60) Days from the commencement of negotiations, the provisions of Section 14.5.4(a) will apply.</p> <p>11.3 If as a result of Change in Circumstances affecting Power Supplier (excluding any change in VAT on the Contract Capacity and Associated Energy), Power Supplier becomes liable to pay any New Charges or any Increased Charges with respect to this Agreement, or Power Supplier is no longer able to require payment from Meralco for Disallowed Pass-Through Amounts, or Power Supplier is required to refund Refundable Amounts, or a Change in Circumstances materially increases the operating costs or capital expenditures associated with the Plant or materially and adversely affects its performance of its obligations under this Agreement, adversely affects the sale by Power Supplier of Contract Capacity and Associated Energy in accordance with this Agreement, makes the Power Supplier's administration or operational aspects of such performance materially more burdensome (whether made at the direction of any Governmental Instrumentality or otherwise), or causes serious damage to or materially and adversely affects the financial condition of Power Supplier, Power Supplier shall send a notice to Meralco of the occurrence of such Change in Circumstances ("Notice of Change in Circumstances") together with an analysis of the cost impact of such Change in Circumstances and the Parties shall file the necessary application with the ERC for the adjustment of the Contract Price ("Application for Price Adjustment") within thirty (30) Days from receipt of the Notice of Change in Circumstances; provided that, Meralco shall not be liable to pay any adjustment in the Contract Price from the time the</p>		

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			<p>Change in Circumstances becomes effective until the ERC approves the Application for Price Adjustment ("Interim Period"); and provided, further, that New Charges or Increased Charges for which the Power Supplier sends a Notice of Change in Circumstances in accordance with this Section 11.3 shall not include charges, fees, taxes, duties or other similar amounts relating to (i) taxes on the income of Power Supplier, (ii) taxes on the real property owned, held by or in possession of Power Supplier, and (iii) business taxes on the operations of Power Supplier.</p> <p>11.4 In the event that:</p> <p>(a) the Parties are unable to file an Application for Price Adjustment within thirty (30) Days from receipt of the Notice of Change in Circumstances, or</p> <p>(b) the ERC denies, in whole or in part, the Application for Price Adjustment, or</p> <p>(c) no order is issued granting the Application for Price Adjustment within sixteen (16) months from receipt of the Notice of Change in Circumstances, or</p> <p>(d) the total amount of unreimbursed New Charges, Increased Charges, Disallowed Pass-Through Amounts that Power Supplier is unable to collect from Meralco, and the Refundable Amounts actually refunded by Power Supplier, accumulated during the Interim Periods for all Change in Circumstances events occurring for the entire Term ("Unreimbursed New or Increased Charges and Refundable Amounts") exceeds the equivalent of two percent (2%) of the Contract Price applied to the energy corresponding to MEOT for one (1) Contract Year ("Threshold Level 1"),</p> <p>the Parties shall enter into good faith negotiations to agree on a satisfactory solution regarding the amendment of this Agreement to restore Power Supplier's commercial position prior to such Change in Circumstance, including an adjustment of the Contract Price. If the Parties fail to reach a mutually satisfactory resolution within sixty (60) Days from the commencement of negotiations, the Power Supplier shall be entitled to terminate this Agreement in accordance with the provisions of Section 14.5.4(b).</p> <p>11.5 In the event that the total Unreimbursed New or Increased Charges and Refundable Amounts exceeds the equivalent of three percent (3%) of the Contract Price applied to the energy corresponding to MEOT for one (1) Contract Year ("Threshold Level 2"), Power Supplier shall be entitled to terminate this Agreement by sending a written notice of termination to Meralco, which shall be effective no earlier than six (6) months after Meralco's receipt thereof. Pending effectivity of such termination, Power Supplier shall continue to make available the Contract Capacity and deliver the Associated Energy at the Contract Price.</p> <p>11.6 If as a result of Change in Circumstances, any component of the Contract Price is affected as will result in a reduction in the Contract Price, Meralco or Power Supplier shall send a Notice of Change in Circumstances to the other Party, and either Party shall file the necessary Application for Price Adjustment within thirty (30) Days from knowledge of such Change in</p>	

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				Circumstances; provided, however, that the Contract Price shall not be reduced until the ERC approves the Application for Price Adjustment; provided, further, that all Refundable Amounts resulting from such Change in Circumstances shall be refunded by Power Supplier in the manner and within the time required by the ERC; and provided, finally, this shall be without prejudice to Power Supplier's termination rights under Section 11.4 and Section 11.5 in case Threshold Level 1 or Threshold Level 2 is reached.	
41.	EDC	Power Supply Agreement	p. 38, Section 16.4 Termination upon Event of Default; Sec. 16.5.4 Termination in the Event of Material Adverse Government Action	<p>Following the proposal above, we propose to revise Sec. 16.5.4 to:</p> <p>16.5.4 Termination in the Event of Change in Circumstances</p> <p>(a) If a Change in Circumstances occurs under the circumstances and having the consequences described in Section 11.2 and Section 11.5 and the Parties have failed to agree on a solution satisfactory to each of the Parties, then Power Supplier may terminate this Agreement upon sixty (60) Days' prior written notice to the other Party. Until termination occurs, the Parties shall continue to perform their respective obligations under this Agreement, subject to Threshold Level 2.</p> <p>(b) If a Change in Circumstances occurs under the circumstances and having the consequences described in Section 11.4 and the Parties have failed to agree on a solution satisfactory to each of the Parties, then Power Supplier may terminate this Agreement upon sixty (60) Days' prior written notice to the other Party. Until termination occurs, the Parties shall continue to perform their respective obligations under this Agreement.</p>	<i>(Please see immediately preceding response.)</i>
42.	EDC	Power Supply Agreement	p. 24, Article 12 Covenants, Sec. 12.1 ERC Application	<p>Suggest to to revise and adopt the acceptable timeline of MERALCO in page 7 in the INSTRUCTIONS TO PROSPECTIVE BIDDERS ("IPB"), as follows:</p> <p>12.1.1 Within five (5) Days after receipt from Power Supplier of the documents set forth in Appendix B (or such other period agreed upon by the Parties) thirty (30) days from the signing and execution of the PSA, the Parties shall jointly file with the ERC the necessary application for the approval of this Agreement (the "ERC Application")</p>	<p>See response to item 177 of Bid Bulletin #2:</p> <p>"xxx The 5-day period provided in Section 12.1.1 is subsumed in the 15-day period to pre-file and 30-day period to file the <u>PSA Application for approval of ERC</u>. To illustrate, if Power Supplier submits the required documents to MERALCO 3 days after signing and execution of the PSA, the PSA requires the Parties to submit the pre-filing requirements to <u>ERC</u> no later than the 8th day after signing and execution of the PSA (i.e., 3 days to submit to MERALCO plus 5 days to submit to ERC)."</p>
43.	EDC	Power Supply Agreement	p. 42, Article 19 Assignment and Change of Control; Sec. 19.1 Assignment	<p>We would like to resend our request to revise and mutualize as follows:</p> <p>19.1.1 Neither Party may assign this Agreement, in whole or part, without the prior written consent of the other Party (which consent shall not be unreasonably withheld); provided, however, that:</p> <p>(b) In the case of Meralco, <u>with prior written consent of Power Supplier (which consent shall not be unreasonably withheld or delayed), Meralco may assign, transfer, designate,</u> delegate or allocate (as determined by Meralco) such portion of Contract Capacity and Associated Energy in accordance with Section 8.1 of this Agreement;"</p> <p>--- We note that with the reduction of MERALCO's Contract Capacity and Associated Energy due to reasons mentioned in Section 8.1, (a) MERALCO's generation cost from the PSA will not increase; and (b) transferring the same Contract Capacity and Associated Energy to another entity will not have any effect on MERALCO's generation cost.</p>	<p>As relayed by MERALCO to the BAC-PSA, MERALCO maintains its position and is not amenable with the proposed revisions.</p> <p>See response to item 179 of Bid Bulletin #2:</p> <p>"xxx Any such act of MERALCO to assign, transfer, designate, delegate or allocate portion of the Contract Capacity and Associated Energy does not need counterparty consent as done as a result of reduction in the demand of MERALCO's captive customers and pursuant to MERALCO's least cost mandate.</p> <p>The ERC's CSP Guidelines only requires prior written consent in case of assignment when it is the Power Supplier that assigns pursuant to Section 19.1.1(a) of the PSA template. Further, the ERC PSA template under the ERC's CSP Guidelines (as reflected in the PSA template) does not require prior consent to effect the reduction of contract capacity pursuant to implementation of Article 8.1 of the PSA. It necessarily follows that assignment by reason of such</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

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				-- <i>With the Power Supplier having no control on the assignment, there is a risk by the Power Supplier to be contractually obligated to another entity that would not have been acceptable to the Power Supplier for various reasons, including financial risks. Since MERALCO no longer has any need of the capacity and associated energy, we request that the Power Supplier would have the choice to assign or sell as it sees fit.</i>	reduction does not require Power Supplier's written consent. In addition, Power Supplier is kept whole as the capacity is merely assigned."
44.	SPI	PSA template	Article 11.2 (a). page 22	Please clarify that during suspension by Power Supplier, the reckoning of the determination if there is incremental cost above the sum of CP and MAGA rate is on a monthly basis. Any negative value shall be for the account of Power Supplier.	<p>The determination of the incremental cost above the sum of the Contract Price and equivalent rate (which Power Supplier shall reimburse to Meralco) based on the Notice of Material Adverse Government Action is reckoned on a Billing Period basis, as stated in Section 11.2(a). Note that the calculation shall be in accordance with Appendix D and follows the billing and payment mechanism in Appendix G.</p> <p>"xxx provided that, for every Billing Period that supply is suspended, Power Supplier shall reimburse any incremental cost above the sum of the Contract Price and the equivalent rate based on the Notice of Material Adverse Government Action (the "Material Adverse Government Action Rate"), calculated in accordance with Appendix D and following the billing and payment mechanism in Appendix G. xxx"</p> <p>For the definition of Billing Period, please refer to Section 1.1 of the PSA, which is quoted below for convenient reference:</p> <p>"Billing Period means (i) the period from and including the Operations Effective Date (as defined below) until the twenty-fifth (25th) Day of the calendar month when the Operations Effective Date occurs, (ii) each successive period ending on the twenty-fifth (25th) Day of each successive calendar month thereafter, and (iii) for the final Billing Period, the period starting immediately after the end of the next to last Billing Period of the Term to the last Day of the Term, or, if this Agreement is terminated earlier in accordance with the terms hereof, from the twenty-sixth (26th) Day of the calendar month preceding the calendar month in which this Agreement is terminated until the Day of termination; <i>provided</i>, however, that if the Market Operator imposes a mandatory change to the billing cycle of WESM that cannot be reconciled with the foregoing schedule, the Parties agree to revise the Billing Period under this Agreement to conform with such revised WESM billing cycle, so long as such revised Billing Period is commercially reasonable."</p>
45.	MPGC	PSA	Article 11.2 (a). pages 22 and 23	<p>With respect to the replacement power Meralco will purchase in case of suspension by Power Supplier of its supply pursuant to Article 11.2, we suggest to specify that such volume should be limited up to the Contract Capacity under the PSA for clarity, as follows:</p> <p>2nd paragraph</p> <p>"xxx...During such period of suspension, Meralco shall source replacement energy from WESM to the extent supply or offtake is so affected and up to the Contract Capacity, the cost of which shall form part of the price that Meralco will charge to its customers; provided that, for every Billing Period that supply is suspended, Power Supplier shall reimburse any incremental cost above the sum of the Contract Price and the equivalent rate based on the Notice of Material Adverse Government Action (the "Material Adverse</p>	<p>As relayed by MERALCO to the BAC-PSA, it is no longer necessary to qualify that the replacement energy shall be limited to the Contract Capacity. The entire 2nd and 3rd paragraph of Section 11.2 provides the circumstance when Meralco will source replacement energy from WESM, that is when Power Supplier "suspend the performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco" due to implementation of the provision, and MERALCO shall source the replacement energy from WESM "to the extent that the supply or off-take is so affected."</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 200 MW (AC, NET), EFFECTIVE FEBRUARY 2026

PSA TEMPLATE-RELATED QUERIES/COMMENTS					
BIDDER	TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE	
				Government Action Rate”), calculated in accordance with Appendix D and following the billing and payment mechanism in Appendix G...xxx” 3rd paragraph “xxx....provided that, if Power Supplier suspended the performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco, Power Supplier shall also refund to Meralco the equivalent of the Material Adverse Government Action Rate corresponding to the total replacement energy purchased from WESM during the suspension period and up to the Contract Capacity , calculated in accordance with Appendix D; provided further, that if the denial is for a reason other than non-existence of a Material Adverse Government Action, Power Supplier shall only pay fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3. ”	
Whe	MPGC	PSA	Article 7. page 17	We respectfully suggest that penalties not be imposed on Power Supplier if it fails to make available the Associated Energy due to unavailability of supply from WESM.	<p>We are not amenable with removing penalties if Power Supplier fails to make available the Associated Energy due to unavailability of supply from WESM, due to implementation of Section 7.3 of the PSA.</p> <p>As relayed by MERALCO to the BAC-PSA, MERALCO is not amenable with the proposal. Note that Power Supplier is only imposed a fine when it contributes to the lack of supply. Please see responses in items 157 and 204 of Bid Bulletin #2:</p> <p>“As long as the Nominated Plant of Power Supplier did not contribute to the FM (e.g., there is no available supply in the WESM and its Nominated Plant/s, although unavailable, was on Major Maintenance Outage or Scheduled Outage per submission to MERALCO), then no fines shall be applied.</p> <p align="center">xxx</p> <p>The Php908 per MWh per day penalty is in connection with failure to provide power from any source including Wholesale Electricity Spot Market (WESM) and when Power Supplier’s Plant is on Forced Outage. If Power Supplier’s Plant is on Forced Outage but it nevertheless provided supply to MERALCO, then it will not be imposed a fine.”</p> <p>This provision is also standard in MERALCO’s PSAs approved by the ERC and is intended for benefit of customers since the fine will be used to reduce the generation charge to the consumers.</p>
47.	MPGC	PSA	Article 7 and 15. pages 17, 30-31	There may be events of Force Majeure that will cause damage to the entire grid, including Power Suppliers’ Plant causing it to be on Forced Outage. Power Supplier should be allowed to claim FM in this case. For example, if the Luzon grid was affected by a severe earthquake or typhoon resulting in red alert and Power Supplier’s Plant was also placed on Forced Outage, Power Supplier should be allowed to claim Force Majeure.	<p>As relayed by MERALCO to the BAC-PSA, MERALCO is not amenable with the proposal.</p> <p>If the Luzon grid was affected by a severe earthquake or typhoon resulting in red alert and Power Supplier’s Plant was also placed on Forced Outage, Power Supplier may only be allowed to claim Force Majeure if there is also no supply available from the WESM or any other source.</p>