Bid Requirements
Contract Capacity of 300 MW (NET), EFFECTIVE MARCH 2028
TO INCREASE BY 300 MW (NET), EFFECTIVE MARCH 2029

In order to become an Interested Bidder and obtain a copy of the Bidding Documents, a party must submit the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, and pay the Participation Fee, by the Expression of Interest Deadline, following the form, substance and process defined and provided in the Invitation to Bid.

In order to qualify to bid, a Bidder must timely submit to the BAC-PSA Secretariat three (3) separate envelopes containing the original copy and electronic copies of its Document Submissions, following the form, substance and process defined and provided in the Invitation to Bid and the Instructions to Prospective Bidders ("**IPB**").

In case the Bidder formed an unincorporated joint venture or consortium for the purpose of this Bidding, its members must, **on or before the Bid Submission Deadline**, submit the joint venture or consortium agreement which provides evidence that their rights and obligations, including liabilities in this Bidding and the resulting Power Supply Agreement ("**PSA**"), are solidary. Each party to the joint venture or consortium must separately submit Qualification Documents (Envelope 1) and Technical Proposal (Envelope 2) (e.g., if each joint venture or consortium member offers a different Nominated Plant), but shall submit (as one) only one Bid Price, including the Bid Security (Envelope 3). For this purpose, in relation to the Qualification Documents and Technical Proposal, each party to a Bidder joint venture or consortium shall be construed as the Bidder. Moreover, each party to the joint venture or consortium must separately submit an undertaking as to its commitment to infuse the required equity contribution to the joint venture or consortium. If the Bidder's unincorporated joint venture or consortium is a recipient of a Notification of Best Bid, the said Bidder, during the period for Post-Qualification (i.e. within seven [7] days from issuance of the Notification of best Bid), must incorporate its joint venture or consortium and submit to the BAC-PSA a copy of its SEC Certificate of Incorporation/Partnership, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary/assistant corporate secretary, in which case, it must be under oath and notarized.

Summary of the Bidding Process and the Pay-as-Bid Mechanism

This Bidding will be "Pay-as-Bid" type of competitive public bidding, in consonance with the relevant provisions of the Department of Energy ("DOE") Department Circular No. DC2023-06-0021, Series of 2023, as amended by DOE Department Circular No. DC2025-10-0022, and Energy Regulatory Commission ("ERC") Resolution No. 16, Series of 2023, as amended by ERC Resolution No. 7, Series of

2026. It will be open to all Bidders that meet the financial, technical, commercial, and legal requirements of this Bidding. This Bidding is technology-neutral and all Bidders that meet the eligibility criteria are encouraged to participate as a Bidder, subject to DOE Department Circular No. DC2026-02-0005 ("**DOE Energy Mix Policy**").[1] In evaluating the financial offers of the Bidders, the best interests of Meralco's captive customers shall be paramount. As such, and to this end, the principle of least cost in the supply of power to captive customers, as provided in Section 23 of EPIRA, shall prevail and be applied to establish and determine the Best Bid/s.

In this Bidding, an Interested Bidder shall submit a Proposed Tariff indicating its (i) Offered Contract Capacity, and (ii) the corresponding Total Delivered Headline Rate ("**Headline Rate**") and Total Delivered Levelized Cost of Electricity ("**LCOE**") for the Required Contract Period. The minimum Offered Contract Capacity per Bidder shall be at least 100 MW (net).

The Bidder's Headline Rate shall be computed and evaluated based on a plant capacity factor ("**PCF**") corresponding to the Bidder's submitted Outage Allowance ("**OA**"). The Interested Bidder's Headline Rate and LCOE Rate is subject to a pre-determined Reserve Price, which shall be disclosed by the BAC-PSA to the Qualified Bidders during the Opening of Bid Prices (the "**Reserve Price**").

The Interested Bidder's Headline Rate, as inputted by the Interested Bidder to, and computed by, the Financial Evaluation Workbook, should be **<u>less than or equal</u>** to the Reserve Price for the Headline Rate. The LCOE, as inputted by the Interested Bidder to, and computed by, the Financial Evaluation Workbook, should be **<u>less than or equal</u>** to the Reserve Price for the LCOE.

The general procedure for the Bidding shall be as follows:

(a) The BAC-PSA shall publish the Invitation to Bid in a newspaper of general circulation for two (2) consecutive weeks, which publication shall be at least seven (7) calendar days apart. The Invitation to Bid and Bid Requirements shall likewise be posted on Meralco's website at <*<u>https://company.meralco.com.ph/csp/ongoingbids</u>*>. The BAC-PSA shall also request the Department of Energy (DOE) to post in its Competitive Selection Process E-based Portal (**"DOE CSP E-based Portal"**) the Invitation to Bid and Bid Requirements.

The Bidders have until **4:00 P.M. of 14 July 2026** ("**Expression of Interest Deadline**") to submit their Expression of Interest, Confidentiality Undertaking, and Acknowledgement and Consent Form for Data Privacy, and pay the Participation Fee, following the form, substance and process prescribed and provided in the Invitation to Bid, to become Interested Bidder/s (hereinafter, "**Interested Bidder**"). The BAC-

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[1] Entitled, "*Prescribing the Policy for Categorization of Energy Resources and Technologies in the Energy Mix to Enhance Sufficiency of Generation, Adequacy and Reliability of Supply for Electric Power*."

PSA shall declare a failed bidding if no Interested Bidder purchased the Bidding Documents by the Expression of Interest Deadline. Late submissions and requests for additional time shall not be accepted/allowed.

(b) The BAC-PSA shall conduct a Pre-Bid Conference at **1:30 P.M. to 3:30 P.M. on 28 July 2026**. Prior to the Pre-Bid Conference, Interested Bidders are to submit advance queries or requests for clarifications to the Bidding Documents on or before **20 July 2026** to the BAC-PSA Secretariat through the following email address: ***BACPSASecretariat@meralco.com.ph*** and using the queries/comment matrix template made available on Meralco's website. The BAC-PSA shall consolidate the said advance queries and prioritize the discussion thereof during the Pre-Bid Conference; however, if time permits, the BAC-PSA may entertain and discuss additional queries raised by the Interested Bidders. Only the Interested Bidders' 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, and to submit written queries or comments to the Bidding Documents.

During the Pre-Bid Conference, with the Interested Bidders' authorized representative/s indicated in the Expression of Interest as witnesses, Meralco shall deliver to the BAC-PSA the Reserve Price (contained in a sealed envelope) and the BAC-PSA shall place or transfer custody of the same to the bank representative of the BAC-PSA's authorized and independent bank custodian, for the security and custody of the Reserve Price envelope, which envelope shall be returned to the BAC-PSA at the time and place of the Opening of Bid Prices.

Transfer or assignment by, or purchase/investment/acquisition of rights and interest in, an entity that submitted the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy may only be exercised once on or before **4:00 P.M. of 25 August 2026** and on the condition that: (i) transfer or assignment is in favor of a juridical entity in which Bidder is a direct shareholder with Controlling interest or in favor of an Affiliate, or under similar Control of the same Ultimate Parent, (ii) the transferee or assignee simultaneously submits an Expression of Interest, Confidentiality Undertaking, and Acknowledgement and Consent Form for Data Privacy in its name, and (iii) in cases of purchase/investment/acquisition of rights and interest in the Bidder, the Certificate Authorizing Registration (CAR) must already be issued by the Bureau of Internal Revenue (BIR) and the purchase/investment/acquisition duly registered in the stock and transfer book of the corporation.

(c) Bidders will then have until **4:00 P.M. of 4 August 2026** within which to submit written queries, or requests for clarifications or revisions to the Bidding Documents. Thereafter, the BAC-PSA shall respond or issue the necessary notices and bid bulletins to address said queries or comments, which shall be no later than **17 August 2026**.

(d) An Interested Bidder may increase (but not decrease) its indicated Offered Contract Capacity and/or change its indicated Nominated Plant on or before **4:00 P.M. of 25 August 2026**, subject to the Interested Bidder's simultaneous payment of the additional proportionate Participation Fee and submission of a new Expression of Interest form reflecting the said change/s.

(e) **Between 8:00 A.M. to 9:00 A.M.** of **1 September 2026** (the **"Bid Submission Deadline"**), the Interested Bidders shall submit to the BAC-PSA, at the Lopez Building, Meralco Center, Ortigas Ave., Pasig City, their Document Submissions of three (3) separate envelopes containing the original copy and electronic copies of its (a) Qualification Documents (Envelope 1) to demonstrate its compliance with all the qualification requirements; (b) Technical Proposal (Envelope 2); and (c) Bid Price (Envelope 3), which includes the Bid Security, 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 (the "**Original Copy**").

The BAC-PSA shall declare a failed bidding if no proposal was received by the Bid Submission Deadline. Late submissions and requests for additional time shall not be accepted/allowed. Submissions after the Bid Submission Deadline shall be rejected and returned unopened to the concerned Bidder. For the purpose of monitoring time during the Bid Submission Deadline, the Philippine standard time as provided in <*https://oras.pagasa.dost.gov.ph/widget.shtml*> shall be followed.

Thereafter, the opening of the Interested Bidder/s' (a) Qualification Documents (Envelope 1) and (b) Technical Proposal (Envelope 2) (where Envelopes 1 and 2 are collectively referred to as the "**Pre-Qualification Documents**") will proceed immediately after **9:00 A.M. of 1 September 2026**, the process of which will be laid down in a separate bid bulletin or the house rules during the opening of the Pre-Qualification Documents (the "**Opening of Pre-Qualification Documents**"). During the Opening of the Pre-Qualification Documents, only when the Interested Bidder/s' name is called will it be instructed to email to the BAC-PSA Secretariat the password for the pertinent zip folder/file to be opened by the BAC-PSA.

As a general rule, Interested Bidder/s should ensure that the electronic copy/soft copy files of their Document Submissions are clear and complete as the BAC-PSA shall not be required to verify the contents of the Interested Bidder's electronic copy of the Document Submissions against the Original Copy. Instead, the opening of the Original Copy is subject to the BAC-PSA's sole discretion. In case of conflict or discrepancies between the electronic copy/soft copy files and the hard copies/Original Copy, the submitted electronic/soft copy files shall prevail and any verification with the hard copies/Original Copy is subject to the BAC-PSA's sole discretion.

Only the Interested Bidder/s that timely submitted their Document Submissions (represented by their authorized representative/s named in their Expressions of Interest) by the Bid Submission Deadline are allowed to attend and participate in the Opening of the Pre-Qualification Documents, together with the CSP Observers invited by the BAC-PSA.

Before the BAC-PSA opens the said envelopes sequentially to determine the compliance and completeness of the Pre-Qualification Documents of the Interested Bidders, the BAC-PSA, witnessed by the authorized representative/s of the Interested

Bidder/s, shall place or transfer custody of the sealed Envelope 3 (containing the original hard copy of the Interested Bidder/s' Bid Price) of all Interested Bidder/s that timely submitted their Document Submissions to a bank representative of the BAC-PSA's authorized and independent bank custodian, for its security and custody. For this purpose, the authorized representative/s of the Interested Bidder/s are required to sign over the sealed flap of its Envelope 3 before placing it inside the sealed container box of its Document Submissions. Only the sealed Envelope 3 of Qualified Bidders shall be returned to the BAC-PSA by the bank representative at the time and place of the Opening of Bid Prices (described below), as the BAC-PSA shall separately coordinate return by the bank representative (of the custodianship arrangement) of the sealed Envelope 3 of Interested Bidder/s found to have "failed" or have been disqualified in the Pre-Qualification Evaluation to the concerned Interested Bidder.

Thereafter, the BAC-PSA shall proceed to open the envelopes of the Pre-Qualification Documents sequentially to determine its compliance and completeness. Interested Bidder/s whose Pre-Qualification Documents "passed" the "Pass/Fail" assessment for completeness shall have their Pre-Qualifications Documents subjected to further detailed evaluation, for a determination to the BAC-PSA's satisfaction if the said Interested Bidder/s complied with and are responsive to all the requirements and conditions specified in this IPB (the "**Pre-Qualification Evaluation**"). The BAC-PSA will then declare the number of days (after the Opening of Pre-Qualification Documents) that it will need to conduct the Pre-Qualification Evaluation. In the course of the Pre-Qualification Evaluation and as may be deemed necessary, the BAC-PSA and/or its Technical Working Group ("**TWG**"), as authorized by the BAC-PSA, may schedule a clarificatory conference with all Interested Bidder/s that timely submitted their Document Submissions, to seek clarification with respect to such Interested Bidder's Pre-Qualification Documents. However, an Interested Bidder may not change, alter, amend, or add to its Document Submissions. This notwithstanding, the BAC-PSA reserves the right to request additional information, and if necessary, to conduct additional verification to establish the veracity of the information/documents submitted. The CSP Observers shall be invited to attend the Pre-Qualification clarificatory conference of the BAC-PSA, through virtual video conferencing, the schedule and videoconference link of which will be communicated by the BAC-PSA Secretariat to the said observers.

Subsequently, the BAC-PSA shall release, through a bid bulletin, the result of the Pre-Qualification Evaluation as to which Interested Bidder/s will be allowed to proceed to Stage 3 (hereinafter, "**Qualified Bidder**"), which is the opening of the Qualified Bidder/s' Bid Prices (Envelope 3) (the "**Opening of Bid Prices**"). The schedule and venue for the Opening of Bid Prices shall also be included in the said bid bulletin. If the Opening of Bid Prices will not be held on the same day of the Bid Submission Deadline, the CSP Observers shall be informed/invited by the BAC-PSA of the schedule and venue of the Opening of Bid Prices, at least five (5) days before the said date.

The BAC-PSA shall declare a failed bidding if no Bidder "passed" the Pre-Qualification Evaluation.

Before the start of the Opening of Bid Prices, the BAC-PSA shall receive back in custody from the bank representative of the BAC-PSA's authorized and independent bank custodian: (i) the sealed envelope containing the Reserve Price, and (ii) if the Opening of Bid Prices is conducted on a day subsequent to the Opening of Pre-Qualification Documents, the Interested Bidder/s' sealed Envelope 3. Thereafter, the bank representative will be excused from attending and further participating in the Opening of Bid Prices.

During the Opening of Bid Prices, only when the Qualified Bidder's name is called will it be instructed to email to the BAC-PSA Secretariat the password for the pertinent zip folder/file to be opened by the BAC-PSA. To clarify, only Qualified Bidders, together with the CSP Observers invited by the BAC-PSA, are allowed to attend and participate in the Opening of Bid Prices.

For Qualified Bidder/s, the BAC-PSA shall proceed to evaluate if their Proposed Tariffs are in accordance with the Financial Evaluation Workbook released to the Bidders by the BAC-PSA, as well as to confirm the sufficiency of the Bid Security. Should the BAC-PSA find any showing of deliberate submission of the incorrect version of the Financial Evaluation Workbook (for example, because it will result in a lower Headline Rate computation), or any tampering by the Qualified Bidder of the formula or other inputs in the Financial Evaluation Workbook, as submitted in its Bid Price (Envelope 3), it can be cited as material misrepresentation and a ground for disqualification.

In making its evaluation of the Proposed Tariff, the BAC-PSA shall first examine if the Qualified Bidder's Headline Rate, as inputted by the Qualified Bidder to, and computed by, the Financial Evaluation Workbook, is **less than or equal to** the Reserve Price of the Headline Rate, and the LCOE, as inputted by the Qualified Bidder to, and computed by, the Financial Evaluation Workbook, is **less than or equal to** the Reserve Price of the LCOE. Thereafter, all the Offered Contract Capacities of the Qualified Bidders that meet the Reserve Price of the LCOE shall be stacked from lowest to highest LCOE until the required Contract Capacity (i.e., 600 MW [net]) is filled up. The BAC-PSA shall determine, from among the Qualified Bidders whose Offered Contract Capacities have filled up the required Contract Capacity, the most advantageous bid ("**Best Bid/s**"). For this purpose, the BAC-PSA shall notify the Bidders of the results of its evaluation and/or ranking of the Bids ("**Notification of Best Bid/s**").

If the resulting stack of Offered Contract Capacities goes beyond the required Contract Capacity (i.e., more than 600 MW), the Qualified Bidder that fills up the stack to complete the required Contract Capacity (hereinafter referred to as the "**Marginal Bid Offer**") shall have its Offered Contract Capacity reduced accordingly up to the extent of the required Contract Capacity at its Proposed Tariff. A Bidder with the Marginal Bid Offer and a candidate recipient of a Notification of Best Bid, which refuses to accept the reduction of its Offered Contract Capacity up to the extent of the required Contract Capacity at its Proposed Tariff, shall have its Bid Security forfeited equivalent to the proportionate percentage amount of the Bidder's Bid Security, based on the ratio of the required Contract Capacity that needs to be filled up (which the Bidder with the Marginal Bid Offer refused) to the Bidder's Offered

Contract Capacity. For example, if the Marginal Bid Offer is for 100 MW but only 20 MW is needed to fill up the required Contract Capacity, Meralco shall draw on the entire amount of the Bid Security, retain twenty percent (20%) of its value, and return the balance to Bidder.

In case two or more Bidders that belong to technologies that differ in rank of priority pursuant to the DOE Energy Mix Policy have equal LCOE Rates resulting in the lowest bid, the Bidder whose technology is preferred for baseload requirement pursuant to the DOE Energy Mix Policy shall be declared as having the Best Bid. In case two or more Bidders that belong to technologies that have the same rank of priority for baseload requirement pursuant to the DOE Energy Mix Policy have equal LCOE Rates resulting in the lowest bid, the BAC-PSA shall give these bidders five (5) days to improve their Proposed Tariff by submitting a lower LCOE until the tie is broken. Subsequent occurrences of a tie, if any, shall be resolved in the same manner until a winner is determined.

Upon the Opening of the Bid Prices, if **no** Qualified Bidder "passed" the evaluation of Bid Prices, the BAC-PSA shall declare a failed bidding.

(f) The BAC-PSA shall complete a Post-Qualification within seven (7) days from the Notification of Best Bid to determine to its satisfaction whether the Bidder with the Best Bid complies with and is responsive to all the requirements and conditions specified in this IPB.

(g) If the BAC-PSA determines that the Bidder with the Best Bid "passed" all the criteria for Post-Qualification, it shall declare the said Bidder as the Winning Power Supplier and submit a report or recommendation to Meralco for approval of the issuance of a Notice of Award to the Winning Power Supplier within five (5) days from such approval.

If the BAC-PSA determines that the Bidder with the Best Bid "failed" the Post-Qualification, it may proceed to notify the Bidder with the next lowest ranked Headline Rate ("**Next Best Bid**") that it will be subjected to a Post-Qualification evaluation ("**Notification of Next Best Bid**"), subject to any reduction of its Offered Contract Capacity, if necessary, should it be the Marginal Bid Offer. If the said Bidder with the Next Best Bid also fails the Post-Qualification, a similar procedure for Post-Qualification may be repeated by the BAC-PSA for the Bidder with the next lowest Headline Rate, and so on until the notified Bidder passes the Post-Qualification and is declared as the Winning Power Supplier.

This option notwithstanding, if **no** Bidder with the Best Bid (or Bidder with the Next Best Bid) "passed" the Post-Qualification, and there is no other Bidder/s with the Next Best Bid, the BAC-PSA shall declare a failed bidding.

(h) Within twenty (20) calendar days from the Winning Power Supplier's receipt of the Notice of Award, Meralco and the Winning Power Supplier shall sign and execute the PSA.

The BAC-PSA shall declare a failed bidding if all Winning Power Suppliers refuse or fail, without justifiable cause, to accept the Notice of Award or timely sign the PSA template within the period prescribed in this IPB, and there are no Bidder/s with the Next Best Bid.

(i) Within ten (10) calendar days from the signing and execution of the PSA, the Winning Power Supplier shall post a Performance Bond equivalent to three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Winning Power Supplier.

(j) Within five (5) calendar days from Meralco's receipt of the Performance Bond, Meralco shall issue a Notice to Proceed stating therein that all the conditions stated in the Notice of Award have been complied with.

(k) Simultaneous with the Winning Power Supplier's preparation to post a Performance Bond, the Winning Power Supplier and Meralco shall prepare the pre-filing requirements to ERC and initiate the filing of the joint application for approval of the PSA with the ERC within thirty (30) calendar days from the signing and execution of the PSA. The Winning Power Supplier shall bear the costs of pre-filing publication and docket/filing fee, while Meralco shall bear the costs of publishing and posting the notice of public hearing to be issued by the ERC for the said joint application.

The Winning Power Supplier must ensure that it can immediately submit the documents that form part of the pre-filing requirements/checklist with the ERC for an application for approval of a power supply agreement, in accordance with the ERC Resolution No. 7, Series of 2026.

<u>Qualification Documents (Envelope 1)</u>

1. Legal Qualification Requirements

(a) The Bidder must have the authority, in form and substance prescribed and made available by Meralco, to participate in this Bidding and execute the PSA;

(b) The Bidder must be a duly incorporated, validly existing domestic partnership or corporation duly registered with the Securities and Exchange Commission ("**SEC**"). If Bidder formed a joint venture or consortium for the purpose of participating in this Bidding, it must submit the joint venture or consortium agreement which provides evidence showing that their rights and obligations, including liabilities in this Bidding and the resulting PSA are solidary, as well as an undertaking as to their respective commitment to infuse the required equity contribution to the joint venture or consortium;

(c) The Bidder and any of its Affiliates engaged in power generation must have no record of Unsatisfactory Performance. For this purpose, "**Unsatisfactory Performance**" means any of the following:

(i) In relation to any power supply or off take agreements with Meralco and/or its Affiliates engaged in power generation, distribution, and supply (the list of Meralco's Affiliates are provided in the IPB) that was commenced or in the process of implementation within the last five (5) years prior to the Bid Submission Deadline by the Bidder –

(1) a record of failure by the Bidder or any of its Affiliates engaged in power generation to satisfactorily perform any of its material obligations for any such power supply or off take agreements within the last five (5) years that remains unsettled. It also includes a record of failure to timely pay or comply with its material obligations in any of its finance documents with creditors entered into in connection with the development and implementation of the said power supply or off take agreements.

The Bidder shall submit notarized certifications issued by Meralco and/or its Affiliates engaged in power generation, distribution, and supply attesting that within the last five (5) years the Bidder or any of its Affiliates engaged in power generation has no previous record of failure to perform any of its material obligations for such power supply or off take agreements. For this purpose, only (i.e., submission of notarized certifications), the financial lender/s of the Bidder or any of its Affiliates engaged in power generation of any such power supply or off take agreements need not issue the said certification but their identities must be declared or disclosed;

(2) the expulsion of the Bidder or any of its Affiliates engaged in power generation from any such power supply or off take agreements;

(3) the termination or suspension of any such power supply or off take agreements due to the willful breach of its obligations by the Bidder or any of its Affiliates engaged in power generation;

(4) the material violation of laws and/or regulations by the Bidder or any of its Affiliates engaged in power generation applicable to any such power supply or off take agreements, including but not limited to environmental, health, safety, labor and social welfare laws and regulations, as evidenced by findings of the relevant competent authority; or

(ii) Inclusion in a blacklist issued by any governmental agency of the Philippines or in the Debarred and Cross-Debarred Firms & Individuals list posted in the World Bank website (*www.worldbank.org/debarr*), whether as an individual contractor, partnership or corporation or as a member of a joint venture or consortium;

(d) The Bidder and any of its Affiliates engaged in power generation must not have an Outstanding Dispute or Unsettled Dispute **or** any due and demandable financial obligation/s, in each case with Meralco and/or its Affiliates engaged in power generation, distribution, and supply. The Bidder and any of its Affiliates engaged in power generation must also not have any due and demandable energy settlement amounts with the Philippine Electricity Market Corporation ("**PEMC**") and/or Independent Electricity Market Operator of the Philippines ("**IEMOP**").

For this purpose, "**Outstanding Dispute or Unsettled Dispute**" refers to any pending or unsettled judicial, administrative, contractual or alternative dispute resolution proceeding between the Bidder or any of its Affiliates engaged in power generation, on one hand, and Meralco and/or its Affiliates engaged power generation, distribution, and supply, on the other, provided, that the following pending judicial or administrative cases involving the Bidder or any of its Affiliates engaged in power generation and Meralco are excluded from the definition of Outstanding Dispute or Unsettled Dispute:

Case Title and Docket Nos.	Subject Matter
ERC I.U. v. Meralco and TMO (ERC Case No. 2015-025 MC)	ERC Investigating Unit complaint in relation to the generation cost price spike in November 2013 and December 2013
Meralco v. SPPC, et. al. (ERC Case No. 2013-077 MC)	Petition for Dispute Resolution with the ERC in relation to the refund of the 2.98% transmission line losses
In Re: Petition for Dispute Resolution Meralco vs. NPC et. al. (ERC Case No. 2010-002 MC)	Petition for Dispute Resolution with the ERC in relation to the implementation of the Mandated Rate Reduction

(e) The Bidder must be authorized under its articles of incorporation, constitutive or charter documents, or its equivalent, to engage in the business of power generation and supply of electricity as contemplated under the PSA;

(f) The Bidder must issue a notarized attestation against corruption;

(g) The Bidder must issue a notarized attestation of no existing, potential or future conflict of interest with the BAC-PSA; and

(h) The Bidder must issue a notarized certification that from February 26, 2028 and for the duration of the PSA, no capacity and electrical output within the Contract Capacity shall be contracted under an agreement apart from the resulting PSA of this Bidding; *provided* that, if Bidder's Nominated Plant is contracted, Bidder must be able to terminate such agreement on or before the Operations Effective Date (OED) to fulfill requirements under the resulting PSA; and

(i) Further, as instructed by the Philippine Competition Commission ("PCC"), the Bidder must issue a notarized certification that includes a declaration and certification of its total uncontracted capacity that is eligible for the Bidding.

2. Technical Qualification Requirements

(a) The Bidder, whether directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent must submit: (i) list of power plants undertaken over the last ten (10) years; (ii) list of electricity generation plants that it has operated for the last five (5) years; or (iii) proof /documentation of track record for the last five (5) years of power plants operated by it;

(b) The Bidder, whether directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent, must have a Reference Plant, whether in the Philippines or elsewhere. For this purpose, a "**Reference Plant**," as a general rule, means a single power plant of at least 100 MW (net) installed capacity (firm, dispatchable and has attained a simple monthly average of at least 87.75% plant capacity factor ("PCF") over a 3-month consecutive period of operations) and which, in the reasonable opinion of the BAC-PSA, has been satisfactorily developed, constructed, and/or operated or maintained by the Bidder, its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent.

An "**Affiliate**" means with respect to a specified entity, an entity that directly or indirectly, through one or more intermediaries, Controls (e.g., parent or grandparent company), is Controlled by (e.g., subsidiary) or is under common control (e.g., sister company) with the specified entity.

"**Control**" means: (a) the ownership (whether directly or indirectly) of more than fifty percent (>50%) of the total issued voting share capital of the company or corporation; or (b) the ability to unilaterally appoint a majority of the board directors or equivalent body of that company or corporation through the ownership of shares with voting power, without the need of the vote or approval of another shareholder; or (c) the ability to unilaterally direct the business affairs and/or operations of that company or corporation, day-to-day or otherwise, through means that are irrevocable and shall not expire at any given time for the duration of the project, without the need of the vote or approval of another shareholder.

The terms Controls, Controlled and Controlling shall have correlative meanings. For the avoidance of doubt, if a corporation is owned by two (2) shareholders at exactly fifty percent (50%) each, that corporation shall not be considered under the control of any such shareholder and, as such, both shareholders must separately submit Qualification Documents but shall submit (as one) only one Bid Price, including the Bid Security.

The Bidder must provide evidence that the Reference Plant has attained a simple monthly average of at least 87.75% PCF over a 3-month consecutive period of operations within the most recent twenty-four (24) month period of operations, through an official document [GCMR] of the Bidder's Reference Plant as submitted by the Bidder to the ERC, certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized. If the Reference Plant is located outside of the Philippines, the Bidder must provide any equivalent or similar official document like the GCMR which is submitted to or issued by that foreign country's regulatory body or agency, and such document must be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;

(c) The Bidder must provide the Reference Plant's general information and its key components (e.g., boiler, turbine and generator), such as the design (e.g., type, including specific fuel, number of units, and capacity), plant site/s, and interconnection site/s;

(d) The Reference Plant must be covered by a Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the ERC, as submitted by the Bidder as a certified true copy by (i) the ERC; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized. If the COC/PAO is not available as of Bid Submission Deadline, the Bidder must submit an application for a COC/PAO pending before the ERC or any other official document coming from the ERC confirming the Reference Plant's authority to operate at least 100 MW (net). If the Reference Plant is located outside of the Philippines, it must have the license or permit equivalent to the ERC's COC/PAO (e.g., a certification issued by that foreign country's regulatory body or agency for the power industry that the Reference Plant is licensed or authorized to operate a power plant - a self-certification issued by the Reference Plant's developer, owner or operator will not be accepted);

(e) The Reference Plant must be registered as a direct member of the WESM and a copy of its Market Participation Agreement for the Reference Plant, which shall be certified as a true copy by (i) the PEMC and/or IEMOP; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized, must be submitted. If the Reference Plant is located outside of the Philippines, it must submit the equivalent of these documents if in a foreign country and such document must be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;

(f) The Reference Plant must be covered by a valid Transmission Service Agreement (TSA) or a Distribution Wheeling Service Agreement (DWSA), if embedded, which shall be duly certified by the National Grid Corporation of the Philippines (NGCP) or applicable distribution utility, or the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized. If the Reference Plant is located outside of the Philippines, the Bidder must submit the equivalent of these documents if in a foreign country and such document must be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;

3. Financial Qualification Requirements

The Bidder must show satisfactory evidence that it has the financial capacity to fulfill its obligations with Meralco. This requirement may be complied with by the Bidder directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent. As evidence thereof, the Bidder or any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent, or in case of an unincorporated joint venture or consortium, each entity or party thereto, must:

(i) submit its audited (parent and consolidated, if applicable) financial statements for the last three (3) years (the latest of which must not be earlier than for the year ended December 31, 2025) and the latest unaudited quarterly financial statements; and

(ii) if the Nominated Plant is already in commercial operation, the consolidated financial statements must show an Unrestricted Net Worth equivalent to Seven Million Pesos (PhP7,000,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity, **or**, if the Nominated Plant is not yet in commercial operation, the consolidated financial statements must show, as a general rule, an Unrestricted Net Worth of at least 30% of the Project Cost (defined below) ("**Required Unrestricted Net Worth**") based on its submitted financial statements.

For this purpose, "**Unrestricted Net Worth**" means the sum of subscribed and paid up equity, including additional paid-in capital, and unrestricted retained earnings, preferred shares, perpetual shares less treasury shares of common, preferred, and perpetual shares. Unrestricted retained earnings means the amount of accumulated profits and gains realized out of the normal and continuous operations of the company after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is: (1) not appropriated by its Board of Directors for corporate expansion projects or programs; (2) not covered by a restriction for dividend declaration under a loan agreement; (3) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingences (as defined in SEC Memorandum Circular No. 11-08 dated December 5, 2008); and (4) not otherwise covered by any other legal restriction (which refers to any injunction, judgement, or order issued by any judicial authority) on the ability of the company to distribute or otherwise apply its equity.

(a) If the Nominated Plant is not yet in commercial operation, the Bidder must provide the details of the costs of the project (the "**Project Cost**") and its proposed financing plan, specifically indicating the portion of the Project Cost to be financed by debt and by equity. Additionally, the Bidder must submit (1) in support of the portion of the Project Cost proposed to be financed by equity, a notarized letter from its shareholders confirming their respective equity commitment (each, a "**Commitment Letter**"); and (2) in support of the portion of the Project Cost proposed to be financed by debt, a Testimonial from one or more debt providers or arrangers, for the amount of the Project Cost that will be funded through debt to be obtained either by the Bidder directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent, if applicable (each, a "**Testimonial**"). The aggregate amounts indicated in the Commitment Letters and/or the Testimonial shall in no case be less than the Project Cost.

<u>Technical Proposal (Envelope 2)</u>

The Interested Bidder must identify the proposed power plant/s that it or its direct shareholder representing Controlling interest is the developer of, owner of, or administrator of, and Controls, and has sufficient authority to enter into the offtake agreement with Meralco, which must be capable of supplying the Interested Bidder's Offered Contract Capacity to Meralco for the Required Contract Period, provided that it must be a baseload power plant (firm and dispatchable), wherein each unit of the Plant must be capable of generating its rated capacity for twenty-four hours a day and seven days a week (24/7) ("**Nominated Plant**"). For clarity, the Nominated Plant must have separate delivery points for each power plant generating unit as registered with the Wholesale Electricity Sport Market (WESM), which Delivery Points should be interconnected with the Luzon, Visayas or Mindanao grid upon Operations Effective Date ("**OED**") of the power plant/s and which power plant/s must be able to export power to the Luzon grid upon OED.

In relation to the Nominated Plant, the Bidder must provide or submit **for each power plant or proposed site of the power plant**:

(a) Technical characteristics of the Plant showing evidence of compliance to the technical requirements stated in the Invitation to Bid's Terms of Reference

Table ("**TOR Table**"). If the power plant has multiple units, these units should have the same fuel type and GNPHR;

(b) If the Nominated Plant is a Covered RE Facility as defined and provided in DOE Department Circular No. DC2025-10-0022, and ERC Resolution No. 7, Series of 2026, the Bidder shall submit a certified statement that the Nominated Plant has complied with all applicable requirements for Covered RE Facilities, including that the Bidder has first offered its available capacity to its host distribution utility [Right of First Refusal (ROFR)] in accordance with applicable DOE and ERC rules, and that such ROFR has been validly exercised or waived;

(c) Evidence of land acquisition, or legal possession of the proposed site/s of the Nominated Plant (i.e. including the Energy Storage System ["**ESS**"] component, if any) over the Required Contract Period, which, as a general rule, shows that the Bidder has acquired legal possession of the right, title or interest therein, including, but not limited to, the following permits or certificates issued by the appropriate government or administrative agency (e.g. Land Use Conversion, Foreshore Lease Agreement, etc.).

(d) The Bidder shall provide a description for the Nominated Plant, and of its use of a technology that complies with the prevailing emission standards under pertinent DENR issuances on emission and other environmental standards for power plants as well as the appropriate international codes and standards (e.g., IEC-International Electro-technical Commission, IEEE-Institute of Electrical and Electronics Engineers, ANSI-American National Standards Institute, ASME-American Society of Mechanical Engineers, ASNT-American Society for Non-destructive Testing, ASTM-American Society for Testing and Materials, BSI-British Standards Institute, ISO-International Organization for Standardization, NBS-National Bureau of Standards, USA, NACE-National Association of Corrosion Engineers, NEMA-National Electrical Manufacturers Association, PBC-Philippines Building Code, etc.), *provided* compliance with statutory and local Philippines laws and regulations shall take precedence over international standards;

(e) The Bidder shall provide convincing proof that the technology of the Nominated Plant is of proven design, which means that a generating unit of the same technology, with at least 100 MW installed capacity, must have been engaged in reliable commercial operation for at least one (1) year in a 60 Hertz system ("**Comparable Plant**").

The Comparable Plant will be considered to have been in "reliable" commercial operation for the purposes of this requirement once the BAC-PSA's independent engineer determines and certifies that the Bidder's submitted Comparable Plant has an average forced outage factor that has not been above five percent (5%) and its average Unit equivalent availability factor has not been below 87.75% for the duration of the commercial operation period except in a year of a major planned overhaul.

For this purpose, the Bidder's authorized representative should submit a notarized certification attaching as proof a certification, issued by the Comparable Plant's owner, operator, or manufacturer that the Comparable Plant is of proven design, which means that a generating unit of the same technology, with at least 100 MW installed capacity, must have been engaged in reliable commercial operation for at least one (1) year in a 60 Hertz system. For clarity, when the certification from the Comparable Plant's owner, operator, or manufacturer is issued or executed in a foreign country, it should be authenticated or apostilled;

(f) The Project's Feasibility Study;

(g) Details of the Project's execution, where the Bidder shall provide a description on how it will carry out the development, financing, construction, interconnection, operation, and maintenance of the Nominated Plant, including but not limited to general information on the Nominated Plant and its key components (e.g., boiler, turbine and generator), such as the design data (e.g., type, including specific fuel, number of units, and capacity), proposed plant site/s, and proposed interconnection site/s; the key project milestone schedule, if available; and the details on the development, engineering, procurement and construction plan of the Nominated Plant;

(h) The Bidder shall submit a certified statement that the Nominated Plant is capable of operating consistent with the Performance Guarantees;

(i) If the Bidder's Nominated Plant will use a fuel source other than natural gas or coal, the Bidder shall submit its own technical parameters (which shall nevertheless comply with requirements in the TOR Table and information prescribed in Annex TP-1 of the IPB), nominated fuel index, etc. for evaluation of the BAC-PSA;

(j) If applicable, Bidder shall also provide the specifications of the Performance Fuel by way of a Proximate Analysis and Ultimate Analysis. The Performance Fuel shall be used for the conduct of the Net Dependable Capacity (NDC) Test and the Heat Rate Test (HRT) in accordance with the PSA;

(k) If applicable, its Fuel Supply Agreement, if available, otherwise a Fuel Procurement Plan containing a narrative description of strategies and plans for ensuring long-term availability of fuel and regulatory compliance on fuel inventory and specification, which shall be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;

(l) If applicable, the Renewable Energy Contract/s for the Nominated Plant executed with the DOE; or an application for Renewable Energy Contract/s pending before the DOE, *provided* that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Renewable Energy Contract/s must be submitted during Post-Qualification;

(m) The Environmental Compliance Certificate/s (ECC) issued by the Department of Environment and Natural Resources (DENR) for the Nominated Plant, or application/s for ECC pending before the DENR, *provided* that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the ECC issued by the DENR must be submitted during Post-Qualification;

(n) The Grid Impact Study/ies (GIS) / System Impact Study/ies (SIS) for the Nominated Plant or, if embedded, Distribution Impact Study (DIS) / Distribution Asset Study (DAS) (which should include amendments, if any), whichever is applicable, issued by NGCP or applicable distribution utility; or application/s for GIS/SIS or DIS/DAS, pending before the NGCP or applicable distribution utility, *provided* that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the GIS/SIS or DIS/DAS, must be submitted during Post-Qualification;

(o) If applicable, the Certificate/s of Non-Overlap (CNO) and/or Free and Prior Informed Consent (FPIC) Certificate/s issued by the National Commission on Indigenous Peoples (NCIP) for the Nominated Plant, or application/s for the CNO and/or FPIC Certificate pending before the NCIP, *provided* that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the CNO and/or FPIC Certificate/s issued by the NCIP must be submitted during Post-Qualification;

(p) If applicable, the Water Rights Permit/s issued by the National Water Resources Board (NWRB) for the Nominated Plant, or application/s for the Water Rights Permit/s before the NWRB, *provided* that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Water Rights Permit issued by the NWRB must be submitted during Post-Qualification;

(q) If available, the Certificate of Registration issued by the Board of Investments (BOI), which shall be certified as a true copy by (i) the BOI; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized; and

(r) **If the Nominated Plant is already in commercial operation**, items (c) to (q) above will not be required, instead, Bidder must submit the Nominated Plant's:

1. Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the ERC at the start of the Operations Effective Date of the PSA, as submitted by the Bidder as a certified true copy by (i) the ERC; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;

2. Registration as a direct member of the WESM and a copy of its Market Participation Agreement for the Nominated Plant, which shall be certified as a true copy by (i) the PEMC and/or IEMOP; or (ii) the corporate

secretary/assistant corporate secretary, in which case it must be under oath and notarized, must be submitted;

3. Fuel Supply Agreement, if available, otherwise a Fuel Procurement Plan containing a narrative description of strategies and plans for ensuring long-term availability of fuel and regulatory compliance on fuel inventory and specification, which shall be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized; and

4. Transmission Service Agreement (TSA) or, if embedded, a Distribution Wheeling Service Agreement (DWSA), which shall be duly certified by the National Grid Corporation of the Philippines (NGCP) or applicable distribution utility, or the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized.

Bid Price and Bid Security (Envelope 3)

Using the relevant forms prescribed in the IPB, the Bidder must submit its Bid Letter, Bid Security (as defined below), and Proposed Tariff (in hard copy form and in the **Financial Evaluation Workbook** encoded in a USB/thumb flash memory drive), and a signed Letter of Acknowledgement and Acceptance of the Power Supply Agreement template (collectively referred to as the "**Bid Price**").

For clarity, in accomplishing the Financial Evaluation Workbook, the Bidder shall consider the parameters, assumptions and/or requirements defined and stated in the "*Tariff Structure of Contract Price*" row/provision of the Invitation to Bid's Terms of Reference Table (TOR Table).

The **Bid Security**, **equivalent to three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Interested Bidder**, should be in the form of a managers check or an irrevocable standby letter of credit, which must be issued by one or more universal or commercial banks in the form required of the Bidders in the IPB (the "**Bid Security**"). The Bid Security requirement may be complied with by the Bidder directly, or, through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent.

Dispute Resolution and Protest Mechanism

A decision of the BAC-PSA, at any stage of the CSP, may be questioned by filing a written request for reconsideration within ten (10) calendar days upon receipt of written notice or upon verbal notification. The BAC-PSA shall decide on the request for reconsideration within ten (10) days from receipt thereof, providing the concerned bidder a copy of the decision. If the request for reconsideration is not acted upon within the said period by the BAC-PSA, the same is deemed approved.

In the event that the request for reconsideration is denied, decisions of the BAC-PSA may be protested in writing to Meralco's Board of Directors, subject to the payment of a non-refundable protest fee. The protest must be filed within ten (10) calendar days from receipt of the resolution denying the request for reconsideration. A protest shall be made by the Bidder upon filing a verified position paper, addressed to Meralco's Board of Directors, by electronic means, which must be in PDF or Microsoft Excel format, as may be necessary.

The Bidder's protest shall be resolved within ten (10) calendar days from official receipt thereof, provided no further document is required by Meralco's Board of Directors. Any decision of Meralco's Board of Directors shall be final. After protests have been resolved with finality, an aggrieved party may file a timely petition to intervene in the application to be filed by the parties before the ERC for approval of the resulting PSA.

No suit or action shall be filed by the CSP Observers while the Bidding is underway.

In no case shall the pendency of any request for reconsideration to the BAC-PSA or any protest to the governing board of Meralco stay or delay the Bidding.