



House Rules

for the Conduct of the Competitive Selection Process for Contract Capacity of 1,200 MW (net), effective December 26, 2019

Article I Third Party Bids and Awards Committee

Section 1. TPBAC – The Third Party Bids and Awards Committee ("TPBAC") shall be the independent committee tasked to spearhead and manage the Competitive Selection Process ("CSP" or "Bidding") for Contract Capacity of 1,200 MW (net), effective December 26, 2019 (the "Project") in accordance with Department Circular No. DC2018-02-0003 of the Department of Energy ("DOE").

Section 2. Members – The members of the TPBAC shall be appointed by the Board of Directors ("Board") of Manila Electric Company ("Meralco"). The TPBAC shall be composed of five (5) members, three (3) of which will come from Meralco and two (2) will come from the captive customers who are not directly or indirectly related or affiliated to Meralco ("Customer Representatives").

The TPBAC shall be composed of the following:

- (a) One Meralco officer or employee knowledgeable in the technical operations of Meralco;
- (b) One Meralco officer or employee with knowledge and/or experience with any local or international competitive bidding procedures;

- (c) One lawyer;
- (d) One finance officer or accountant that has knowledge on electricity pricing; and
- (e) One technical person, or a person with knowledge and/or experience with any local or international competitive bidding procedures.

One of the last three (3) representatives shall represent Meralco.

The qualifications, restrictions and selection process for the Customer Representatives to the TPBAC shall be governed by the Framework for the Selection of Captive Customer Representatives-Members to the TPBAC of Meralco ("TPBAC Framework"), provided that such selection process shall be submitted to the DOE for approval.

Section 3. Tenure, Replacement and Removal – The tenure, replacement and removal of the members of the TPBAC shall be governed by TPBAC Framework.

Section 4. Meetings - The TPBAC shall hold meetings based on the schedule provided in the Instructions to Prospective Bidders ("IPB"), as may be amended by supplemental bid bulletins. The TPBAC may also hold meetings at such dates and at places as called by the Chairperson or a majority of the members of the TPBAC whenever necessary in order to perform its powers and functions hereunder or pursuant to the IPB.

The TPBAC members may attend the meetings in person, or via teleconferencing, videoconferencing, or other remote modes of communication, provided that such manner of attendance shall be noted by the secretary of meeting in the minutes.

The Meralco Board may attend to observe the meetings of the TPBAC.

Section 5. Notices - Notices of Meetings of the TPBAC, specifying the date, time and place of the meeting, shall be communicated by the TPBAC Secretariat to each member personally, or by telephone, telegram, or other forms in writing at least twenty-four (24) hours prior to a meeting. Any member of the TPBAC may waive this requirement, either expressly or impliedly.

Section 6. Quorum - A majority of the members of the TPBAC shall constitute a quorum, provided that, at least one (1) Customer Representative shall also be present.

The decision on all questions of the TPBAC shall require majority of all the voting members. The Chairperson shall not vote in any matter before the TPBAC, except in case there is a tie.

Section 7. Conduct of Meetings – Meetings of the TPBAC shall be presided by the Chairperson, or if absent, by the Vice-Chairperson. The Chairperson and Vice-Chairperson shall be selected by the members of the TPBAC.

The Head of the TPBAC Secretariat shall act as secretary of the meeting. If the Head of the TPBAC Secretariat is not present, the Chairperson of the meeting shall appoint any member of the TPBAC or the TPBAC Secretariat as acting secretary for the meeting.

Section 8. Amendment of House Rules – The TPBAC may, in its absolute discretion, but without being under any obligation to do so, amend, update, or supplement any provision of the House Rules, provided that, any such amendment shall comply with applicable law, including, but not limited to, Department Circular No. DC2018-02-0003.

Section 9. Reserved Rights - The TPBAC expressly reserves the right to: (a) accept or reject all or any application to participate in the Bidding without assigning any reason whatsoever; (b) declare a failed bidding pursuant to Section 7 of the IPB; or (b) cancel this Bidding at any time without any obligation to give any reason therefor; and in all cases, without incurring any liability or without the need to give prior notice.

The TPBAC also reserves the right to: (a) waive the submission of certain requirements by reason of proven track record and good credit standing, or any minor defects in the Document Submissions (as defined in the IPB) of any party; (b) reject any or all Qualification Documents, Technical Proposals, or Bid submissions and not award any power supply agreement where the TPBAC believes that an award will not redound to the benefit of the customers of Meralco, and (c) accept the offer it deems most advantageous to Meralco's customers, subject to the terms and conditions indicated in this IPB.

Article II

TPBAC Technical Working Group and Secretariat

Section 1. Members – The Meralco Board shall designate the members of the TPBAC Technical Working Group ("TWG") and Secretariat, to be headed by a regular or permanent employee of Meralco, preferably an officer, to assist the TPBAC in the performance of its functions.

The TPBAC TWG shall be composed of the technical, legal and financial personnel of Meralco.

Section 2. Functions – The TPBAC TWG shall assist the TPBAC in the technical components of the CSP, such as development of the Power Supply Procurement Plan (“PSPP”), Terms of Reference (“TOR”), eligibility screening, evaluation of bids, and post-qualification.

The TPBAC Secretariat shall provide administrative support to the TPBAC and shall serve as the custodian of all records and documents relating to the CSP for the Project. The TPBAC Secretariat shall fully document each step of the CSP and prepare and keep written minutes of all TPBAC meetings and proceedings.

Article III CSP Observers

Section 1. CSP Observers – The TPBAC shall invite DOE and Energy Regulatory Commission (“ERC”) as observers during the Pre-Bid Conference, Pre-Qualification (if any), Submission and Opening of Bids, Bid Evaluation, Negotiations, Post-Qualification (if any), Awarding, and Contract Signing.

The CSP Observers shall not participate in the proceedings and shall not have any right to vote.

Section 2. Notices – CSP Observers shall be given written and email invitations at least five (5) working days before the date of the procurement stages. The absence of CSP Observers will not nullify the proceedings, provided that, CSP Observers have been duly invited in writing and email with prescribed period.

Section 3. Records of Proceedings – The CSP Observers shall be allowed access to the following documents upon their request: (a) minutes of the TPBAC meetings; (b) abstract of bids; (c) post-qualification summary report; (d) video recording of CSP proceedings; (e) opened proposals; and (f) bid documents and other related documents.

A data room shall be set-up for the CSP Observers to access the aforementioned documents. There shall be no facility for the CSP Observers to obtain copies of the documents.

If there is no CSP Observer present in any of the proceedings, TPBAC is required to make and keep as part of the TPBAC records a complete and unedited video record of the proceedings.

Article IV
Preparation of Bid Documents

Section 1. Preparation of Bid Documents – The TPBAC shall prepare the Bid Documents in accordance with the requirements prescribed in DOE Department Circular No. DC2018-02-0003.

Article V
Publication of Invitation to Bid

Section 1. Publication - The TPBAC shall publish in a newspaper of general circulation once a week for two (2) consecutive weeks the Invitation to Bid, whereby the first publication date establishes the Invitation Publication Date. It shall likewise be posted on Meralco’s website and at the Department of Energy (DOE) E-based Power Procurement Information Portal (“DOE E-based Portal”).

Section 2. Updates – All stages and updates on the CSP that coincides with its CSP schedule must be provided to the DOE for posting on the DOE E-based Portal, including, but not limited to, the bid bulletins relating to the following:

- (a) Invitation to Bid;
- (b) Pre-Qualification, if any;
- (c) Pre-Bid Conference;
- (d) Submission and Opening of Bids;
- (e) Bid Evaluation;
- (f) Post-Qualification, if any;
- (g) Awarding and Contracting Signing; and
- (h) Joint filing before the ERC.

Article VI
**Pre-Bid Conference, Submission and Opening of Bids, Post-
Qualification, Award and Contract Signing**

Section 1. Bidding Process – The procedure and requirements of the Pre-Bid Conference, Submission and Opening of Bids, Post-Qualification, Award and Contract Signing shall be governed by the IPB, as may be amended by bid bulletins issued by the TPBAC.