



Unsolicited Proposal (USP) for Power Supply to MERALCO under DOE 2023 and 2025 CSP Policies and Amended ERC CSP Guidelines

Submission Guidelines (23 April 2026)

Section 2.3 of the Department of Energy (DOE) Department Circular No. DC2023-06-0021, Series of 2023 and Section 3 of Department Circular No. DC2025-10-0022 (“DOE 2023 and 2025 CSP Policies”), which were adopted by the Energy Regulatory Commission (ERC) in Section 5, Article IV of its Resolution No. 7, Series of 2026 (“Amended ERC CSP Guidelines”), allow instances when distribution utilities (DU) can procure power supply without the conduct of a competitive selection process (CSP), subject to certain requirements.

While the DOE 2023 and 2025 CSP Policies and Amended ERC CSP Guidelines do not prescribe any process/documentation as to how DUs should receive USPs, the Manila Electric Company (MERALCO) developed its internal procedure/documentation to ensure structured documentation/implementation of this type of procurement and for the guidance of power suppliers intending to submit proposals.

In view of the foregoing and subject to the DOE 2023 and 2025 CSP Policies and Amended ERC CSP Guidelines, MERALCO’s guidelines for the submission of USP (the “**Proposal Documents**”) by power suppliers (the “**Proponent**”) to MERALCO, if applicable, shall be as follows:

Proposal Documents to submit:

1. Cover letter addressed to MERALCO indicating the following:
 - Company profile;
 - General description of the proposal;
 - Location, details on the connection point, and, if applicable, the Single Line Diagram (SLD) of the proposed power plant;
 - Proposed term/duration of the Power Supply Agreement;
 - Rate offered (PhP/kWh);
 - Capacity offered;

- Offered mode of operation (i.e., Baseload, Mid-merit, or Peaking requirement); and
 - Other relevant information.
2. Proposed Terms of Reference containing details of the following:
 - Offered contract capacity and mode of operation (i.e., Baseload, Mid-merit, or Peaking)
 - Power plant details (e.g., location, connection point, technology)
 - Offered rate (e.g., two-part tariff or straight energy price; escalating or fixed)
 - Proposed start date and contract duration
 - Required outage days, plant capacity factor/availability
 3. Proponent's Distribution Impact Study (DIS) / Distribution Asset Study (DAS) / System Impact Study (SIS) (which should include amendments, if any), whichever is applicable, or application/s for DIS/DAS or SIS pending before MERALCO or NGCP, provided a certified true copy of the DIS/DAS or SIS must be submitted before execution of the PSA.
 4. Proponent's Securities and Exchange Commission (SEC) registration or equivalent document from the country of incorporation/organization; and
 5. Proponent's Articles of Incorporation (or Partnership, whichever is applicable), By-Laws, latest General Information Sheet, Diagram of corporate structure, and latest Income Tax Returns and latest Audited Financial Statements.
 6. Proof of payment of a non-refundable Processing Fee (see below)

MERALCO, as necessary, may request for additional documents/information to aid it in its evaluation of the USP.

Before a detailed evaluation of the USP can proceed, MERALCO shall validate that the proposal is consistent with MERALCO's latest Power Supply Procurement Plan (PSPP) approved by the DOE and posted in the DOE's CSP Portal [<https://csp.doe.gov.ph/home-power-supply-procurement-plan/>] and, if applicable, with its latest Renewable Portfolio Standards (RPS) compliance plan. MERALCO's latest PSPP and RPS compliance plan are posted on MERALCO's CSP website [<https://company.meralco.com.ph/csp/ongoingbids>].

Processing Fee

A non-refundable processing fee of **Twenty Thousand Pesos (PhP20,000.00)**, inclusive of value-added tax (VAT) and net of creditable withholding tax, shall be paid by the Proponent upon submission of the USP. The processing fee is required to defray the administrative, technical, and regulatory costs incurred by MERALCO in

the preliminary acceptance, documentation review, and initial validation of the USP/offer for ROFR, including consistency checks with applicable DOE and ERC policies. Payment of the processing fee shall be a condition for the acceptance of the USP for initial review, but shall not be construed as approval or endorsement of the proposal.

Evaluation Fee

If the Proposal Documents are (i) found to be complete and in order, and (ii) MERALCO has validated that the proposal is consistent with MERALCO's latest Power Supply Procurement Plan (PSPP) approved by the DOE and, if applicable, its latest Renewable Portfolio Standards (RPS) compliance plan, the Proponent shall be required to pay a non-refundable evaluation fee in the amount of **Twenty-Five Thousand Pesos (Php25,000.00) per MegaWatt (MW) of Offered Contract Capacity**, inclusive of value-added tax (VAT) and net of creditable withholding tax (the "**Evaluation Fee**"). Only Proponents that have paid the Evaluation Fee shall proceed to the detailed technical, financial, and regulatory evaluation of their Proposal Documents. Payment of the Evaluation Fee shall not be deemed a guarantee of approval, selection, or contract award.

VAT Treatment

If the Proponent is a VAT zero-rated entity or exempt from VAT, it shall pay the applicable Processing Fee and/or Evaluation Fee exclusive of VAT, subject to the submission of (i) a valid certificate issued by the Philippine Economic Zone Authority (PEZA) or the Board of Investments (BOI) confirming that payment of such fee is subject to zero percent (0%) VAT; or ,(ii) a certification showing VAT exemption under special laws or international agreements which effectively subject the payment of such fee to zero percent (0%) VAT. Failure to submit the required certification shall result in the imposition of VAT at the applicable rate.

Where to submit:

- The complete Proposal Documents must be submitted to MERALCO at the following email address: usp@meralco.com.ph

Contact Information:

Manila Electric Company (MERALCO)
Attention: (1) Head, Energy Management, and
(2) Head, Energy Sourcing Office

Email: usp@meralco.com.ph

- Upon notice to be provided by MERALCO to the Proponent, one (1) set of the original copy of the Proposal Documents must be placed in a sealed box and transmitted to MERALCO at the time and place indicated in the notice.

Time of Submission:

The Proposal Documents may be submitted between 8:00 A.M. and 5:00 P.M. of any day, provided that for submissions made after 5:00 P.M., or on a Saturday, a Sunday, a non-working national holiday, or a non-working day in Pasig City, the date of receipt shall be reckoned on the next working day.

However, for the purpose of determining the sequence or chronological order of a queue (if any), the proposal shall be deemed submitted on the actual date and time of submission.

MERALCO's Right of First Refusal (ROFR) over Covered RE Facilities

For any USP or appropriate offer for ROFR received from a Covered RE Facility,¹ MERALCO's evaluation shall comply with the prescriptive periods and rules on acceptance or rejection provided under Section 4 of the DOE 2025 CSP Policy, Section 6 of the Amended ERC CSP Guidelines, and other applicable provisions of the said policy/guidelines, provided that the reckoning period for evaluation of the offer shall be upon MERALCO's receipt of the complete Proposal Documents (including proof of payment of the Processing Fee).

Proponents are advised that, in determining the timing for submission of any USP or offer for ROFR, they must consider and allow adequate time for the period granted to MERALCO under the DOE 2025 CSP Policy and the Amended ERC CSP Guidelines to evaluate and accept or reject the ROFR, as well as for PSA negotiations, the submission and processing of the application for ERC approval, and the ERC's review and approval *vis-a-vis* the proposed contract start date of its project.

Confidentiality

Information relating to the examination, clarification, evaluation and comparison of Proposal Documents, and recommendations concerning the USP/offer for ROFR, including internal deliberations thereon, shall

¹ A Covered RE Facility refers to existing or prospective embedded or grid-connected RE power plant located within the franchise area of a DU, whether partly or in whole

not be disclosed to any third party; *provided* that MERALCO shall not have the obligation to keep any information submitted by a Proponent confidential after the signing of the PSA; *provided further* that MERALCO shall not have the obligation to keep any information submitted by a Proponent confidential (and will have discretion to voluntarily submit documents and information relating to the USP/offer for ROFR), if MERALCO is directed or asked to participate in an inquiry, case, or proceeding conducted by a court or governmental agency of the Philippines.

Reservation and Effectivity

MERALCO reserves its right to deny acceptance of any USP/offer for ROFR that does not conform with the process/requirements herein established.

These submission rules shall be effective upon posting in MERALCO's website.