FINAL INVITATION TO BID
CONTRACT CAPACITY OF 850 MW (NET), COD 2026

Pursuant to the Department of Energy ("**DOE**") Circular No. DC2018-02-0003, as amended by DOE Circular No. DC2021-09-0030, Series of 2021, and in compliance with DOE Circular No. DC 2017-12-0015, otherwise known as the "*Renewable Portfolio Standards for On-Grid Areas*", the Manila Electric Company ("**Meralco**"), through the Third-Party Bids and Awards Committee ("**TPBAC**"), hereby invites all interested and qualified parties (each, a **"Bidder"**) to participate in the competitive challenge bidding (**"Bidding"**) in respect of the following proposed supply of electricity:

ORIGINAL PROPONENT'S OFFER

Original Proponent	**Terra Solar** is an existing SPV incorporated by Prime Infrastructure Capital Inc. and Solar Philippines Power Project Holdings, Inc.
OP Plant Description	Proposed solar power plants with Energy Storage System ("**ESS**") located in Batangas-Cavite, Bulacan, Nueva Ecija, Tarlac, and/or Zambales ("**OP Plant**")
OP Plant Configuration	The OP Plant shall have the following minimum combined configuration, provided that the configuration shall be sufficient to produce the Contract Capacity and Guaranteed Output: • 2500 MW Solar • 4000 MWh Batteries For clarity, the minimum combined configuration sufficient to produce the Contract Capacity and Guaranteed Output, as defined in this Invitation to Bid, shall be solely contracted to Meralco.
Status of OP Plant	Under development
Original Proponent's Offered Price	The Headline Rate is PhP 6.0800 per kWh at 50% Plant Capacity Factor ("**PCF**"), no escalation, with following components: • Capital Recovery Fee (CRF) = PhP 23,608.20 per kW-year • Variable O&M (VOM) Fee = PhP 0.3100 per kWh • Line Rental Cap = PhP 0.1000 per kWh • Ancillary Services (AS) Cost Recovery Cap = PhP 0.2800 per kWh • Value-Added Tax (VAT) = PhP 0.00 per kWh (Zero-Rated) The LCOE Rate is PhP 6.0800 per kWh at 50% PCF.

Guaranteed Output	• 100% available Contract Capacity for 0800H to 2059H Mondays to Saturdays and 100% available Contract Capacity for 0800H to 1359H on Sundays ("**Available Hours**") • On an annual basis, the Available Hours shall result in a Guaranteed Output of not less than 50% PCF with respect to the Contract Capacity. • The Guaranteed Output does not translate to a corresponding Minimum Energy Off-Take.

TERMS OF REFERENCE TABLE

Contract Capacity	850 MW (AC, net) For clarity, all offers should be for the full Contract Capacity.
Scheduled Commercial Operations Date ("COD")	• 600 MW (net) by February 26, 2026 • Additional 250 MW (net) by February 26, 2027. For clarity, the Total Contract Capacity by February 26, 2027 will be 850 MW (net). • Meralco reserves the right to require the delivery of the full Contract Capacity of 850 MW (net) by February 26, 2026, provided there is a twenty-four-month prior notice. • Meralco has option to take available energy corresponding to the Contract Capacity, at Commissioning Energy Charge, for the maximum period for Commissioning allowed under relevant regulations starting from August 2025, which shall not exceed six (6) months. Meralco shall require a minimum of forty-eight (48) hours for Commissioning.
Required Contract Period	• Twenty (20) Contract Years from the Commercial Operations Date
Plant Type	• Mid-merit renewable energy source (firm and dispatchable) • Single or portfolio of power plant/s, provided that in commercial operation not earlier than February 2021 but no later than Scheduled COD ("**Plant**"), *provided further*, that the Plant's minimum configuration sufficient to meet the Contract Capacity and Guaranteed Output shall be solely contracted to Meralco
Guaranteed Renewable Energy Certificates ("RECs")	• Equivalent to forty-five percent (45%) PCF with respect to the Contract Capacity
Crediting of RECs	• Beginning on Scheduled COD, Power Supplier shall provide Meralco RECs equivalent to the higher between

	Guaranteed RECs and volume corresponding to dispatch instruction of Meralco, reckoned annually. However, RECs shall be accounted on a monthly basis. For clarity, (a) for the first year, RECs shall be reckoned from Scheduled COD until December 25, 2026, regardless of the actual COD, and (b) for the succeeding years, RECs shall be reckoned annually from 26 December of the preceding year to 25 December of the current year (or, in case of the final year, until the expiration or end of the term). • Meralco shall be entitled to all RECs associated with the output of the Plant corresponding to the Contract Capacity and Associated Energy, plus Excess Energy and Excess Capacity, if any.
Guaranteed Output	• 100% available Contract Capacity for 6 to 13 hours daily covering peak hours of Meralco, for at least 84 hours in a week ("**Availability of Supply**"). For clarity, Meralco's peak hours at present are from 8:00 AM to 9:00 PM, but this may change during the Required Contract Period upon mutual consent of both Parties. • On an annual basis, the Availability of Supply shall result in a Guaranteed Output of not less than 50% PCF with respect to the Contract Capacity. • The Guaranteed Output does not translate to a corresponding Minimum Energy Off-Take.
Technical Parameters	• Separate Delivery Points for each power plant generating unit as registered with the WESM • No capacity and electrical output of the Plant, within the Contract Capacity and within the Availability of Supply, shall be contracted under an agreement apart from the resulting Power Supply Agreement ("**PSA**"). • If Bidder formed a partnership or consortium for the purpose of this Bidding, must be evidenced by an agreement showing that their liability in this Bidding and the resulting PSA is solidary.
Supply of Power	• No Outage Allowance • Supply shall primarily be sourced from the Plant, provided that when the Plant is not capable of delivering a portion of, or the entire Contract Capacity, Power Supplier shall supply from Renewable Energy-eligible power plant/s, and Meralco shall pay the lower between WESM price and Contract Price.

	• If Plant is/has an ESS, then the ESS component shall be charged from the renewable energy components of the Plant. Should there be inadequacy of the relevant renewable energy source, which prevents generation from the renewable energy components of the Plant, the ESS component may be charged from the WESM.

Tariff Structure	• CRF component of the tariff should be fixed for the Required Contract Period and in Philippine Peso.
	• VOM Fee
	• Line Rental cap shall be for the account of Meralco but shall not exceed Php0.10 per kWh.
	• In view of DOE Circular No. DC2019-012-0018, an AS Cost Recovery cap of PhP0.28 per kWh will be considered in computing the LCOE. However, the lower between actual AS cost and the AS Cost Recovery cap will be implemented only upon the effectivity of regulations that mandate a proportionate allocation of AS charges among affected generation companies, which is considered pass-through cost pursuant to existing government regulations.
	• Zero-rated VAT
	  • The Bidder's Headline Rate (Proposed Price for the first Contract Year) and the evaluation of its LCOE should be inclusive of VAT.
	  • The VAT status declared by the Bidder upon submission of its Bid is binding upon the said Bidder for the Required Contract Period of the PSA.
	  • If the VAT status of the Bidder changes in the future, then costs resulting from such change cannot be passed on to consumers.

Replacement Power	• If COD has not occurred as scheduled, (a) Power Supplier, for each day of unexcused delay, shall procure Replacement Power up to the Contract Capacity, to be paid for by Meralco at the lower between WESM price and the Contract Price (inclusive of VAT); or (b) if Replacement Power is not available, pay Meralco Nine Hundred Eight Philippine Peso (PHP908) multiplied by each affected MWh nomination by Meralco, until the earlier of: (x) the COD and (y) the date sixty (60) Days after the Delay Limit Date (as defined in the PSA template). • After COD, if the output of the Plant is lower than the nomination of Meralco, Replacement Power will be provided by Power Supplier and paid for by Meralco at the lower between WESM price and the Contract Price (inclusive of VAT). • For clarity, Replacement Power shall be sourced from Renewable Energy-eligible power plants. If Power

	Supplier cannot provide Replacement Power from Renewable Energy-eligible power plants due to inadequate supply, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Pesos (PHP908) multiplied by each affected MWh nomination by Meralco, which shall be used to reduce the generation charge to the consumers. In addition, Meralco will be deemed to have sourced the Replacement Power, subject to reimbursement by Power Supplier of the amount corresponding to the positive difference between (i) WESM price and (ii) Contract Price, in each case inclusive of all relevant transaction cost and taxes.
Excess Capacity	• In the event that the Plant is capable of producing output above the Contract Capacity, Meralco has the option to purchase the generated output with respect to such excess capacity. • The option may be exercised through notice to Power Supplier sixty days prior to availment and for a period of up to six (6) months, subject to technical limitations of the Plant.
Reduction in ContractCapacity	The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco in order to avoid stranded contract capacity or costs, or by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, orother Laws and Legal Requirements.
Delay in COD	• For any delay in COD, Power Supplier shall, on a monthly basis, provide the proportionate Guaranteed RECs beginning Scheduled COD. • Provided that Guaranteed RECs is delivered by Power Supplier to Meralco by Scheduled COD, Parties shall meet and confer about the terms on which the PSA may be continued. If agreement is not reached within sixty (60) Days of the Delay Limit Date, the PSA may be terminated by Meralco and the Performance Security may be forfeited.
Grounds for Termination	• Event of Default • Non-Fulfillment of Conditions to Effective Date • Non-Occurrence of Commencement Date or COD • Certain Events of Force Majeure • Expiration of Term • Upon Mutual Agreement • Change in Circumstances

Other Relevant Information	• *LCOE Evaluation.* All Bid Prices shall be evaluated based on LCOE at fifty percent (50%) PCF of the Contract Capacity. • *Right to Improve Offer.* The Original Proponent shall have the right to improve its Offered Price and submit an offer that is lower than the Best Bid.

Parties interested to participate in the Bidding in order to become an Interested Bidder should submit, using the email of its authorized representative indicated in the Expression of Interest, a clearly scanned copy (.pdf file format) of an accomplished Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, in the form and substance made available on Meralco's website <*https://company.meralco.com.ph/csp/ongoingbids*> and/or alternative cloud-based sharepoint site <*https://tinyurl.com/MERALCO850MWUSP*>, to Meralco's **TPBAC-Secretariat through its email address: *tpbacsecretariat@meralco.com.ph* no later than 4:00 P.M. of 22 April 2022** ("**Expression of Interest Deadline**"). For this purpose, the subject of all email communications should start with "**850 MW USP –** [*proceed to state subject matter*]" and the official time and date of receipt of the emailed submissions shall be the electronic time and date stamp of receipt by the TPBAC-Secretariat's email. Upon the TPBAC-Secretariat's receipt of said submission, subject to a later evaluation of the contents of the submitted documents, it will electronically acknowledge the receipt thereof. If the TPBAC-Secretariat finds that the submissions were properly made, it will then send to the concerned Interested Bidder the bank account details for the cash, manager's check deposit, or online fund transfer payment of the Participation Fee (defined below), with instruction for the transmittal of the scanned copy (.pdf file) of the proof of payment (e.g. cash/manager's check deposit slip, or online fund transfer acknowledgment). After the TPBAC Secretariat's validation of MERALCO's receipt of the Interested Bidder's proof of payment, the TPBAC-Secretariat shall then transmit by email to the Interested Bidder the corresponding scanned copy of the Official Receipt of the payment of the Participation Fee. This email will be accompanied by a link to a cloud-based online repository/folder containing its Bidding Documents, which shall be accessible and available only for that particular Interested Bidder through the registered email/s of its authorized representative/s indicated in its Expression of Interest and/or bidder-specific passwords.

The TPBAC shall declare a failed bidding if it fails to receive an Expression of Interest together with the Participation Fee, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy within such period.

In order to become an Interested Bidder and obtain a copy of the Bidding Documents, payment by cash, manager's check deposit, or online fund transfer of a non-refundable fee of **Four Million Two Hundred Fifty Thousand Pesos (PHP 4,250,000.00)**, *inclusive of VAT and net of creditable withholding tax* ("**Participation Fee**"), **must also be made no later than Expression of Interest Deadline**. If an interested party is a zero-rated VAT entity or exempt from VAT, it shall pay the Participation Fee exclusive of VAT together with a copy of the certificate issued by the Philippine Economic Zone Authority ("PEZA") or the Board of

Investments ("BOI") that the payment of Participation Fee by such entity is subject to zero percent (0%) VAT, or a copy of certification that the said entity has exemption under special laws or international agreements which effectively subjects the payment of Participation Fee to zero percent (0%) VAT.

After the Expression of Interest Deadline, Interested Bidders may change their indicated Nominated Power Plant no later than **4:00 P.M. of 18 May 2022**, subject to the Interested Bidder's simultaneous submission of a new Expression of Interest form reflecting the said change/s.

The TPBAC shall conduct a Pre-Bid Conference at **1:30 P.M. to 4:30 P.M. on 25 April 2022** through virtual video conferencing. Prior to the Pre-Bid Conference, Interested Bidders are requested to submit advance queries or requests for clarifications to the Bidding Documents **on or before 11:59 P.M. of 22 April 2022** to the TPBAC-Secretariat through the following email address: *tpbacsecretariat@meralco.com.ph* and using the Bidder's queries/comments matrix template made available on Meralco's website. The TPBAC shall consolidate the said advance queries and prioritize the discussion thereof during the Pre-Bid Conference, however, if time permits, the TPBAC may entertain and discuss additional queries raised by the Interested Bidders. Only the Interested Bidder's authorized representatives (not more than three (3) persons) indicated in the Expression of Interest are allowed to attend and participate in the Pre-Bid Conference, together with the invited DOE and ERC observers.

In order to qualify to bid, an Interested Bidder shall submit to the TPBAC–Secretariat, **on or before 9:00 A.M. of 25 May 2022** (the "**Bid Submission Deadline**"), by uploading to the cloud-based online repository/folder assigned to the Interested Bidder, three (3) separate and password-protected zip folder (.zip file) containing the scanned copies (.pdf file) of its (a) Qualification Documents (Envelope 1) to demonstrate its compliance with all the Legal and Financial Qualification Requirements; (b) Technical Proposal (Envelope 2); and (c) Bid Price (Envelope 3), which includes the **Bid Security** (comprised of the Base Amount and any increments thereto required from the Bidder as a result of the applicable circumstances prescribed in the Bid Requirements) **equivalent to Two Billion Five Hundred Million Pesos (PhP2,500,000,000.00)**. As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 25 May 2022,** the Interested Bidder shall submit at the **Lobby, Lopez Building, Meralco Center, Ortigas Ave., Pasig City** the Original Copy of all the said documents, including the latest original copy of the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, all placed in a sealed box. Immediately after the Bid Submission Deadline, the TPBAC-Secretariat shall begin to switch the Interested Bidder/s' ability to edit/write/upload to the cloud-based online repository/folder to the read-only mode and the original copies of all documents submitted may no longer be replaced.

Thereafter, the opening, assessment and evaluation of the said bid submissions will proceed at **9:30 A.M. of 25 May 2022,** through virtual video conferencing, and will continue such opening, assessment and evaluation on such other day/s as may be determined by the TPBAC. During the opening of the bid documents, only when the Interested Bidder's name is called will it be instructed to email to the TPBAC-Secretariat the password for the pertinent zip folder/file to be opened by the TPBAC.

Only the Interested Bidders that timely and completely submitted their bid documents (represented by their authorized representative/s named in their Expressions of Interest) by the Bid Submission Deadline in accordance with requirements and conditions specified in the Instructions to Prospective Bidders are allowed to attend and participate in the opening of the bid documents, together with the DOE and ERC observers invited by the TPBAC.

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

CERTIFICATION

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

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Atty. Ferdinand A. Domingo
Chairman