Bid Requirements
for Contract Capacity of 180 MW (net), effective March 26, 2023

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 TPBAC–Secretariat by uploading to the cloud-based online repository/folder assigned to the Interested Bidder, three (3) separate and password-protected zip folders (.zip file) containing the scanned copies (.pdf file) 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**").

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. DC2018-02-0003, series of 2018, as amended by DOE Department Circular No. DC2021-09-0030, series of 2021. It will be open to all Bidders that meet the financial, technical, commercial, and legal requirements of this Bidding. 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. The minimum Offered Contract Capacity per Bidder shall be at least 50 MW (net). The Interested Bidder's Total Delivered Headline Rate is subject to a pre-determined Reserve Price, which will only be revealed by the TPBAC to the Bidders during the Opening of Bid Prices (the "**Reserve Price**"). The Interested Bidder's Total Delivered Headline Rate, as inputted by the Interested Bidder to and computed by the Financial Evaluation Workbook, should be **less than or equal** to the Reserve Price.

The general procedure for the Bidding shall be as follows:

(a) The TPBAC shall publish the Invitation to Bid in a newspaper of general circulation for two (2) consecutive weeks, the first publication date of which shall establish the Invitation Publication Date. On the Invitation Publication Date, the Invitation to Bid and Bid Requirements shall likewise be posted on Meralco's website

at <***https://company.meralco.com.ph/csp/ongoingbids***> and/or alternative cloud-based sharepoint site <***https://tinyurl.com/MERALCO-180MWBLCSP***>. The TPBAC 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 on the Invitation Publication Date.

(b) The Bidders have until **6:00 P.M. of 24 February 2023 ("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**"), *provided* that if the party interested to join the second (2nd) round of this Bidding was an Interested Bidder that submitted a bid offer/bid documents during the first (1st) round of this Bidding but which resulted in a failed bidding, the said party will only need to pay the difference of the Participation Fee and the participation fee that the said bidder paid during the first (1st) round of this Bidding. Late submissions and requests for additional time shall not be accepted/allowed.

After the Expression of Interest Deadline, parties interested to become an Interested Bidder and join this Bidding, may still qualify to bid at the Bid Submission Deadline (discussed below) provided said interested party: (i) did not procure copies of the Bidding Documents for this Bidding from other Interested Bidders or through other means not authorized by the TPBAC; (ii) submits its Expression of Interest (together with the Participation Fee that was duly cleared by the applicable bank and/or the TPBAC's validation of MERALCO's receipt of the concerned party's proof of payment), Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy; and (iii) submits the required Bid Document Submissions by the Bid Submission Deadline (discussed below).

Furthermore, the said party (or any other party) will not be allowed to request for the restart of the Bidding process or reconduct of other Bidding processes that were already concluded; request for additional time to prepare and submit its bid or proposal; request for the postponement or rescheduling of the Bid Submission Deadline or opening of the bids; or any other unjustified requests which will delay the Bidding process, based on the ground, among others, that it only submitted its Expression of Interest (together with the Participation Fee), Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy and/or Bid Document Submissions after the Expression of Interest Deadline and/or near or on the Bid Submission Deadline.

To reiterate, a party may only become an Interested Bidder, obtain a copy of the Bidding Documents in this Bidding and be considered a participant in the bidding (and as such shall be entitled to receive notifications and submit queries) upon submission of its Expression of Interest (together with the Participation Fee), Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy.

(c) The TPBAC shall conduct a Pre-Bid Conference at **2:00 P.M. to 4:00 P.M. on 28 February 2023**. Prior to the Pre-Bid Conference, Interested Bidders are to submit

advance queries or requests for clarifications to the Bidding Documents on or before **1:00 P.M. of 27 February 2023** to the TPBAC Secretariat through the following email address: ***tpbacsecretariat@meralco.com.ph*** and using the queries/comment 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 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 TPBAC the Reserve Price (contained in a sealed envelope) and the TPBAC shall place or transfer custody of the same to a bank representative of the TPBAC's authorized and independent bank custodian, for the security and custody of the Reserve Price envelope, which envelope shall be returned to the TPBAC at the time and place of the Opening of Bid Prices.

(d) Bidders will then have until **6:00 P.M. of 2 March 2023** within which to submit written queries, or requests for clarifications or revisions to the Bidding Documents. Thereafter, the TPBAC shall respond or issue the necessary notices and bid bulletins to address said queries or comments, which shall be no later than **6 March 2023**.

(e) An Interested Bidder may increase (but not decrease) their indicated Offered Contract Capacity and/or change their indicated Nominated Plant on or before **4:00 P.M. of 13 March 2023**, 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.

(f) **On or before 9:00 A.M.** of **16 March 2023** (the **"Bid Submission Deadline"**), an Interested Bidder shall submit to the TPBAC its Document Submissions 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 qualification requirements; (b) Technical Proposal (Envelope 2); and (c) Bid Price (Envelope 3), which includes the Bid Security. As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 16 March 2023**, the Interested Bidder shall submit, through its authorized representative/s indicated in the Expression of Interest or such authorized representative's duly authorized agent/attorney-in-fact (as evidenced by a notarized special power of attorney), 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 (the "**Original Copy**"). 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 Copy of all documents submitted may no longer be replaced.

The TPBAC shall declare a failed bidding if less than two (2) Bidders timely submit their Document Submissions 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 at **9:30 A.M. of 16 March 2023** through virtual video conferencing, 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 TPBAC-Secretariat the password for the pertinent zip folder/file to be opened by the TPBAC.

As a general rule, Interested Bidder/s should ensure that the uploaded soft copy files of its Document Submissions are clear and complete as the TPBAC 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 TPBAC'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 DOE and ERC observers invited by the TPBAC.

The TPBAC shall open said envelopes sequentially to determine the compliance and completeness of the Pre-Qualification Documents of the Interested Bidders. 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, to determine to the TPBAC's satisfaction, whether the said Interested Bidder/s complied with and are responsive to all the requirements and conditions specified (the "**Pre-Qualification Evaluation**"). If warranted under the circumstances and/or upon recommendation of the Technical Working Group ("**TWG**"), the TPBAC may declare the number of days (after the Opening of Pre-Qualification Documents) that it will need to conduct the Pre-Qualification Evaluation. In preparation for this purpose, the TPBAC, 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 TPBAC's authorized and independent

bank custodian, for its security and custody. For this purpose and possibility, 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. The sealed Envelope 3 shall be returned to the TPBAC by the bank representative of the TPBAC's authorized and independent bank custodian at the time and place of the Opening of the Bid Prices (described below). In the course of the Pre-Qualification Evaluation and as may be deemed necessary, the TPBAC and/or its TWG, as authorized by the TPBAC, may schedule a video conference with an Interested Bidder, 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 TPBAC reserves the right to request additional information, and if necessary, to conduct additional verification to establish the veracity of the information/documents submitted. The DOE and/or ERC observers shall be invited to attend the Pre-Qualification Evaluation of the TPBAC, through virtual video conferencing, the schedule and videoconference link of which will be communicated by the TPBAC-Secretariat to the said observers.

Subsequently, the TPBAC shall release 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**").

If a Pre-Qualification Evaluation is conducted for several days (as described above), the TPBAC shall release the result of the Pre-Qualification Evaluation through a bid bulletin for this purpose. Meanwhile, the DOE and/or ERC observers shall be informed/invited by the TPBAC of the schedule and venue of the Opening of Bid Prices, at least seven (7) days before the said date. If any Interested Bidder/s are found to have "failed" the Pre-Qualification Evaluation, the said Interested Bidder/s are thereafter disqualified from further participation, consideration or evaluation, and the TPBAC shall thereafter coordinate with the said Interested Bidder and bank representative of the TPBAC's authorized and independent bank custodian for the return of Interested Bidder's sealed Envelope 3. The TPBAC shall declare a failed bidding if there are less than two (2) Bidders that "passed" the Pre-Qualification Evaluation.

Before the start of the Opening of Bid Prices, the TPBAC shall receive back in custody from the bank representative of the TPBAC'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 the Bid Prices, only when the Qualified 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. To clarify, only Qualified Bidders, together

with the DOE and ERC observers invited by the TPBAC, are allowed to attend and participate in the Opening of Bid Prices.

For Qualified Bidder/s, the TPBAC shall proceed to evaluate if their Proposed Tariffs are in accordance with the Financial Evaluation Workbook released to the Bidders by the TPBAC, as well as to confirm the sufficiency of the Bid Security. Should the TPBAC find any showing of deliberate submission of the incorrect version of the Financial Evaluation Workbook (for example, because it will result in a lower LCOE 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 TPBAC shall first examine if the Qualified Bidder/s' Total Delivered Headline Rate, as inputted by the Interested Bidder to and computed by the Financial Evaluation Workbook, is **less than or equal to** the Reserve Price. Thereafter, all the Offered Contract Capacities of the Qualified Bidders that meet the Reserve Price shall be stacked from lowest to highest Total Delivered Headline Rate until the required Contract Capacity (i.e. 180 MW [net]) is filled up. The TPBAC 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 TPBAC 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 180 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 of a tie between or among Qualified Bidders having the lowest Bids or whose offers are considered the Marginal Bid Offer, the TPBAC shall give these bidders a period of time, on the same day, to improve their Proposed Tariff by submitting a lower Total Delivered Headline Rate until the tie is broken. Should these Qualified Bidders refuse to improve their Proposed Tariff, the tie shall be broken through toss coin, drawing of lots, or some other mechanism won by chance as determined by the TPBAC.

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

(g) The TPBAC shall complete a Post-Qualification within seven (7) days from the Notification of Best Bid/s 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.

(h) If the TPBAC 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 through a Notice of Award in favor of the said Bidder with the Best Bid and recommend to Meralco the execution of the PSA within seven (7) days therefrom.

If the TPBAC determines that the Bidder with the Best Bid "failed" the Post-Qualification, it may proceed to notify the Bidder with the next lowest ranked Total Delivered 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 TPBAC for the Bidder with the next lowest Total Delivered 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 all Bidders with the Best Bid "fail" the Post-Qualification and there are no Bidder/s with the Next Best Bid, the TPBAC shall have the discretion to declare a failed bidding.

(i) Within seven (7) days from the Notice of Award, Meralco and the Winning Power Supplier shall sign and execute the PSA.

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

(j) Within fourteen (14) days from the signing and execution of the PSA, the Winning Power Supplier and Meralco shall file the relevant application for approval thereof with the ERC. For this purpose, 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 with the ERC for an application for approval of a power supply agreement, in accordance with the latest prescribed ERC checklist published at <https://www.erc.gov.ph/Files/Render/media/PSA%20Pre-filing%20Checklist_revised_2022.docx> and

<https://erc.gov.ph/Files/Render/media/Legal%20Pre-filing%20Checklist_RC.PSA_(2021).%20Revised%2011.29.2021%20LS.pdf>.

Qualification Documents (Envelope 1)

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 partnership or consortium for the purpose of participating in this Bidding, it must be evidenced by an agreement showing that their rights and obligations, including liabilities in this Bidding and the resulting PSA are solidary;

(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 (as defined below) 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
Consolidated Cases of (a) ERC vs. San Miguel Energy Corporation, et. al., G.R. Nos. 246621-30 and (b) Manila Electric Company vs. San Miguel Energy Corporation, et. al., (G.R. No. 247352-61)	Supreme Court – Legality of ERC Order voiding the Luzon WESM prices during the November and December 2013 supply months
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; and

The Bidder must issue a notarized certification that the Offered Contract Capacity from the Nominated Plant, for the entire Required Contract Period, is not covered by any offtake agreement (e.g., a power supply agreement or ancillary services procurement agreement, including a financial-type arrangement of power supply agreement) that will conflict with the Bidder's obligation should it be declared the Winning Power Supplier.

2. Financial Qualification Requirements

(a) 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 a partnership, 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 ending December 31, 2021) and recent quarterly financial statements; and

(ii) 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

("**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.

Technical Proposal (Envelope 2)

The Bidder must identify the proposed power plant/s, which must be located in Luzon or Visayas and which must be capable of supplying the Offered Contract Capacity to Meralco for the Required Contract Period beginning on the Operations Effective Date ("**Nominated Plant**"). To reiterate, the Nominated Plant/s shall be with one Delivery Point (for purposes of settlement and transfer of risk and loss), which Delivery Point should be nearest to Meralco's load center, and subject to Meralco's approval.
In relation to the Nominated Plant, the Bidder must provide:

(a) Technical characteristics of the Plant showing evidence of compliance to the technical requirements stated in the TOR Table;

(b) The Nominated Plant must be covered by a 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, in which case it must be under oath and notarized;

(c) The Nominated Plant must be registered 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, in which case it must be under oath and notarized, must be submitted; and

(d) The Nominated 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, in which case it must be under oath and notarized;

(e) The Nominated Plant must be covered by a Fuel Supply Agreement (FSA), which shall be duly certified by corporate secretary, in which case it must be under oath and notarized;

(f) If applicable, 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, in which case it must be under oath and notarized.

Bid Price and Bid Security (Envelope 3)

(a) 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), uploaded to the cloud-based online repository/folder assigned to the Bidder in a password-protected zip folder [.zip file], 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).

(b) The Bid Security equivalent to **Three Million Pesos (PhP3,000,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity** should be in the form of an irrevocable standby letter of credit, which must be issued by one or more Allowed Bank listed in the IPB and in the form required of the Bidders in the IPB, issued by one or more Allowed Bank listed 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.