



INVITATION TO BID

CONTRACT CAPACITY OF 170 MW (NET), EFFECTIVE FEBRUARY 26, 2022

Pursuant to the Department of Energy (“DOE”) Circular No. DC2018-02-003, Series of 2018, as amended by DOE Circular No. DC2021-09-0030, Series of 2021, 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 bidding (“**Bidding**”) in respect of the following peaking requirement, as emergency procurement:

Terms of Reference Table (“TOR Table”)

Contract Capacity	170 MW (net)
Bid Type	<ul style="list-style-type: none"> • Pay-as-Bid • The minimum Offered Contract Capacity per Bidder shall be at least 50 MW (net)
Operations Effective Date (“OED”)	February 26, 2022
Required Contract Period	February 26, 2022 until July 25, 2022
Conditions Precedent to OED	<ul style="list-style-type: none"> a. Meralco and Power Supplier’s respective corporate approvals for the execution, delivery and performance of the Power Supply Agreement (PSA); b. Meralco and Power Supplier’s respective submissions of the documents and evidence set forth in the PSA; c. Meralco and Power Supplier’s respective certifications to the effect that their representations and warranties in the PSA shall be true and correct in all material respects; and d. On or before six (6) months from the filing of the ERC Application, the ERC shall have issued an ERC Approval, including the pricing structure as set out in the PSA (or as otherwise acceptable to Power Supplier).
Plant Type	<ul style="list-style-type: none"> • Peaking (firm and dispatchable) • Maximum Plant Capacity Factor (PCF) per month is forty-five percent (45%) • Single or Portfolio of Plant/s • One Delivery Point (for purposes of settlement and transfer of risk and loss), which Delivery Point should be

	<p>nearest to Meralco's load center, and subject to Meralco's approval.</p>
Tariff Structure of Contract Price	<ul style="list-style-type: none"> • Straight energy price (PhP/kWh) subject to the following bandwidths: <ul style="list-style-type: none"> - Proposed Minimum Energy Off-Take ("MEOT"), reckoned monthly, should not exceed twenty-four percent (24%) of PCF with respect to the Contract Capacity. - Bidder has an option to indicate discount on Proposed Price which shall be applied on excess energy above MEOT up to forty-five percent (45%) PCF with respect to the Contract Capacity. - Proposed Price shall not be escalated or indexed during the Required Contract Period. • Separate line item proposal for the Bidder's Value Added Tax (VAT) rate that is applicable to its Proposed Price. <ul style="list-style-type: none"> - The VAT status declared by Bidder upon submission of its Bid is binding upon said Bidder for the entire 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. • Separate line item proposal for monthly Line Rental cap, as proposed by Bidder, but shall not exceed PhP0.1000/kWh. Proposed Line Rental cap shall be fixed during the Required Contract Period. • In view of DOE Circular No. DC2019-012-0018, a monthly Ancillary Services (AS) Cost Recovery cap, as proposed by Bidder, with a floor value of PhP0.28/kWh, will be considered in computing the Total Delivered Headline Rate. 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. Proposed AS Cost Recovery cap shall be fixed during the Required Contract Period.
Payment Modalities	<ul style="list-style-type: none"> • Mode of Payment: All payments by Meralco shall be made by wire transfer of cleared funds to such account/s as Power Supplier may notify in writing. • Currency of Payment: Philippine Peso (PHP) • Billing Period: The period from and including the OED until the twenty-fifth (25th) Day of the calendar month

	<p>when the OED occurs (or, if the OED occurs after the twenty-fifth (25th) Day of the calendar month, the Billing Period is from such date until the twenty-fifth (25th) Day of the next calendar month) and (ii) each successive period ending on the twenty-fifth (25th) Day of each successive calendar month thereafter.</p>
Supply of Power	<ul style="list-style-type: none"> • No Outage Allowance • One hundred percent (100%) guaranteed availability of the Contract Capacity for twelve (12) hours daily covering peak hours of Meralco ("Availability of Supply"). The peak hours of Meralco are from 09:00 AM to 9:00 PM. • For clarity, Power Supplier is only obligated to deliver energy equivalent up to forty-five percent (45%) PCF with respect to the Contract Capacity per month. • 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 its portfolio of Plants, WESM or any other source, and Meralco shall pay the lower between WESM price and Contract Price. • At the time of the Operations Effective Date of the PSA, no capacity and electrical output of the Plant, within the Contract Capacity and Availability of Supply, shall be contracted under an agreement apart from the resulting PSA. • In case Power Supplier cannot provide supply of power from its Nominated Power Plant or portfolio of Plants, WESM, or any other source, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PHP908) multiplied by each MWh during a Day, which shall be used to reduce the generation charge to the consumers.
Force Majeure	<ul style="list-style-type: none"> • An Event of Force Majeure shall mean any circumstance not within the reasonable control, directly or indirectly, of the Party affected, but only if and to the extent that: <ul style="list-style-type: none"> (a) such circumstance, despite the exercise of reasonable diligence, cannot be prevented, avoided or removed by such Party; and (b) such event prevents such Party from performing its obligations under the PSA. • The affected Party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA (including any obligation of Meralco to pay the Contract Price) for so long as failure to perform such an obligation shall be due to an Event of Force Majeure. For the avoidance of doubt and notwithstanding any other

	<p>provision in the PSA, the MEOT shall be reduced accordingly and Meralco shall not be required to make any payments in respect of any Contract Capacity and Associated Energy that Power Supplier cannot deliver or Meralco cannot receive or deliver to its customers due to an Event of Force Majeure.</p> <ul style="list-style-type: none"> • For clarity, Power Supplier shall not be allowed to claim Force Majeure in case there is supply available from the WESM or any other source.
Grounds for Termination	<ul style="list-style-type: none"> • Event of Default • Non-Occurrence of Operations Effective Date • Expiration of Term • Upon Mutual Agreement • Change in Circumstances
Liquidated Damages	<p>Upon the occurrence of an Event of Default, the non-defaulting Party shall be entitled to liquidated damages, in lieu of all other damages to which it may be entitled in respect of such Event of Default, in the amount of One Hundred Thousand Pesos (PhP100,000.00) per MW per day of the Contract Capacity for the remaining Term of the PSA.</p>
Reduction in Contract Capacity	<ul style="list-style-type: none"> • The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements. • Meralco may assign, transfer, designate, delegate or allocate its rights and obligations to purchase a portion of Contract Capacity and Associated Energy that is no longer required by Meralco to any of its business segments or wholly owned Affiliates, to the extent allowed by Law, or to any other person acceptable to Power Supplier (which consent shall not be unreasonably withheld, delayed or conditioned).
Obligations of Meralco	<ul style="list-style-type: none"> • Meralco shall purchase from Power Supplier, to the extent of Meralco's relevant day-ahead nominations, the MEOT and at its option, the Excess Energy.
Other Relevant Information	<ul style="list-style-type: none"> • All Bids shall be evaluated based on its Total Delivered Headline Rate at 45% PCF with respect to the Contract Capacity.

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/MERALCO170MWCSF>>, to Meralco's **TPBAC-Secretariat through its email address: tpbacsecretariat@meralco.com.ph no later than 4:00 P.M. of 5 January 2022** ("Expression of Interest Deadline"). For this purpose, the subject of all email communications should start with "**170 MW CSP** – [*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. Should the TPBAC receive less than two (2) Expressions of Interest, it shall declare a failure of the Bidding process.

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 the higher between Three Hundred Thousand Pesos (PHP300,000.00), and Five Thousand Pesos (PHP5,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity, *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 increase (but not decrease) their indicated Offered Contract Capacity and/or change their indicated Nominated Power Plant no later than **4:00 P.M. of 26 January 2022**, 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.

The TPBAC shall conduct a Pre-Bid Conference at **1:30 P.M. to 4:30 P.M. on 12 January 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 1:00 P.M. of 10 January 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 2 February 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 of Three Million Pesos (PhP3,000,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity. As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 2 February 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 2 February 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