INVITATION TO BID

RENEWABLE ENERGY CONTRACT CAPACITY OF 500 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 ("OP")	**Ahunan Power, Inc. ("API")** is an existing SPV incorporated by Prime Metro Power Holdings Inc. and JBD Water Power, Inc., the majority voting interest and shares of which are owned by Prime Infrastructure Capital Inc. (PICI). API is engaged in the development of hydro power plant projects through direct investment and/or partnership. API shall be using 500 MW of API's Hydro Service Contract (HSC) and 500 MW of Olympia Violago Water & Power Inc. (OVWPI)'s HSC as alternative nominated plants. API shall exercise its option to choose the OP Plant before filing of ERC application for approval of resulting PSA.
OP Plant Description	The Pumped Storage Hydroelectric Power Plant (PSHPP) projects are located in Pakil, Laguna, and San Mateo and Antipolo, Rizal ("OP Plant"). The PSHPP stores energy from Meralco's optimization of baseload supply during off-peak hours, and delivers the energy stored during peak periods depending on the supply requirement of Meralco.
OP Plant Configuration	The OP Plant shall have a minimum configuration of 500 MW (net) generated capacity output using reversible pump-turbine and 60 Hz motor-generator, sufficient to produce the Contract Capacity and Guaranteed Output.
Status of OP Plant	Under development

Guaranteed Cycle/Charging Efficiency	The guaranteed cycle efficiency of each of API and OVWPI Plants for mid-merit supply is a monthly average of 77%.
Pumping/Charging Energy and Costs	The pumping/charging energy necessary to meet the Guaranteed Cycle/Charging Efficiency shall be sourced from Meralco's underutilized energy from baseload suppliers during off-peak hours, and the corresponding pumping/charging energy costs shall be for the account of Meralco ("**Pumping/Charging Energy and Costs**"). For clarity, Pumping/Charging Energy and Costs shall be no higher than corresponding to the Guaranteed Cycle/Charging Efficiency. The Pumping/Charging Energy and Costs shall include all other charges (except transmission charges as well as corresponding feed-in tariff allowance rate and universal charge), fees, costs and taxes, in accordance with the respective PSAs of Meralco with power suppliers providing the pumping/charging energy.
OP's Offered Price	The Headline Rate is PhP 4.0511 per kWh (exclusive of Pumping/Charging Energy Cost), at 47.95% Plant Capacity Factor ("PCF"), with the following components: • Capital Recovery Fee (CRF) = PhP 13,132.1400 per kW-year • Fixed O&M (FOM) Fee = PhP 2,286.4800 per kW-year • Pumping/Charging Energy Cost (net of efficiency savings) • 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 4.0511 per kWh** (exclusive of Pumping/Charging Energy and Costs), at 47.95% PCF.
Guaranteed Output	The minimum guaranteed output is 12 hours per day, as detailed below: • 100% available Contract Capacity (except during force majeure and outage allowance days) for 12 hours per day, covering peak hours of Meralco • On an annual basis, the Available Hours shall result in a Guaranteed Output of not less than 47.95% 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 (CC)	500 MW (AC, net) For clarity, all offers should be for the full Contract Capacity.
Scheduled Commercial Operations Date ("COD")	February 26, 2026, with option by Meralco 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 cumulative forty-eight (48) hours for Commissioning. Meralco has the option to delay the COD of the plant due to events of force majeure affecting Meralco's Power Supply Procurement Plan, without exposing Meralco customers to incremental cost of Replacement Power, by advising Power Supplier immediately upon occurrence of such event or prior to financial close, whichever comes earlier.
Required Contract Period	Twenty (20) Contract Years
Plant Type	• Mid-merit renewable energy source (firm and dispatchable) • Single or portfolio of plant/s, provided that the Plant's minimum configuration is sufficient to meet the Contract Capacity and Guaranteed Output shall be solely contracted to Meralco ("**Plant**")
Guaranteed Renewable Energy Certificates ("RECs")	Equivalent to 47.95% 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, 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 (if any).
Guaranteed Output	• 100% available Contract Capacity (except during force majeure and outage allowance days) for 6 to 12 hours daily covering peak hours of Meralco, for at least 84 hours in a week ("**Availability of Supply**"). For clarity, Meralco's peak hours are from 06:00 AM to 9:00 PM, but this may change during the Required Contract Period upon mutual consent of both Parties.
Supply of Power	• 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 beyond its Outage Allowance, Power Supplier shall supply from Eligible Renewable Energy power plants, to be paid for by Meralco at the lower between WESM price and the Contract Price (in each case inclusive of VAT). • If Plant is a Pumped Storage Hydro Power Plant ("**PSHPP**"), then it shall be charged either: (1) using the Pumping/Charging Energy and Costs, or (2) from any other source. To reiterate, Pumping/Charging Energy and Costs shall pertain to the pumping/charging energy necessary to meet the Guaranteed Cycle/Charging Efficiency that shall be sourced from Meralco's underutilized energy from baseload suppliers during off-peak hours, the corresponding pumping/charging energy costs of which shall be for the account of Meralco. • For clarity, the Pumping/Charging Energy and Costs shall include all other charges (except transmission charges as well as corresponding feed-in tariff allowance rate and universal charge), fees, costs and taxes, in accordance with the respective PSAs of Meralco with power suppliers providing the pumping/charging energy. On the other hand, if pumping/charging energy is from any other source, the pumping/charging energy cost shall be subject

	to a cap, as proposed by Bidder in its Document Submission. • If Plant has an energy storage system ("**ESS**") component other than a PSHPP, then the ESS component shall be charged from the renewable energy components of the Plant, considering technical limits of availability of the relevant renewable energy source.
Technical Parameters	• Separate Delivery Points for each generating unit as registered with WESM • No capacity and electrical output of the Plant, to the extent of Contract Capacity, shall be contracted under an agreement apart from the 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.

Tariff Structure	• CRF component of the Tariff should be fixed for the Required Contract Period in KW/year, and in Philippine currency.
	• FOM Fee
	• Line Rental up to a cap shall be for the account of Meralco, which cap shall not exceed a monthly average of Php0.10 per kWh
	• In view of DOE Circular No. DC2019-012-0018, an AS Cost Recovery cap, as proposed by Bidder, with a floor value of PhP0.28/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.
Outage Allowance ("OA")	• Scheduled OA not exceeding ten (10) Days • Forced OA not exceeding five (5) Days The OA computation is based on generation.
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 from Eligible Renewable Energy power plants, to be paid for by Meralco at the lower between WESM price and the Contract Price (in each case 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, Replacement Power will be provided in the following manner: a. If within OA, to be purchased by Meralco. b. If beyond OA, to be provided by Power Supplier from Eligible Renewable Energy power plants and paid for by Meralco at the lower between WESM price and the Contract Price (in each case inclusive of VAT). If Power Supplier cannot provide Replacement Power from Eligible Renewable Energy power plants and Meralco cannot purchase Replacement Power 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.
Reduction in Contract Capacity	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, or other 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 47.95% 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.

In order to become an Interested Bidder and obtain a copy of the Bidding Documents in this Bidding, parties interested 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/MERALCO500MWCSP*>, to the **TPBAC Secretariat through its email address: *tpbacsecretariat@meralco.com.ph* no later than 1:00 P.M. of 3 August 2022** ("**Expression of Interest**

Deadline"). For this purpose, the subject of all email communications should start with "**500 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, it will electronically acknowledge the receipt thereof and proceed to evaluate if the submissions were properly made and is in accordance with the Terms of Reference Table. If the submissions are in order or found compliant, the TPBAC Secretariat will then send to the concerned party the payment instructions of the Participation Fee (defined below), which may include the bank account details for the cash, manager's check deposit, or online fund transfer payment, 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 concerned party's proof of payment, the TPBAC Secretariat shall then transmit by email 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 party through the registered email/s of its authorized representative/s indicated in its Expression of Interest and/or bidder-specific passwords.

Furthermore, 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 Three Million Seven Hundred Fifty Thousand Pesos (PhP3,750,000.00), *inclusive of VAT and net of creditable withholding tax* ("**Participation Fee**"), **which 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, 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.

After the Expression of Interest Deadline, Interested Bidders may change their indicated Nominated Power Plant no later than **4:00 P.M. of 30 August 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 4 August 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 6:00 P.M. of 3 August 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 6 September 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 One Billion Five Hundred Million Pesos (PhP1,500,000,000.00)**. As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 6 September 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 6 September 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.

(sgd)
Atty. Ferdinand A. Domingo
Chairman