FINAL INVITATION TO BID

CONTRACT CAPACITY OF 180 MW (NET), EFFECTIVE MARCH 26, 2023

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 baseload requirement:

Terms of Reference Table ("**TOR Table**")

Contract Capacity	180 MW (net)
Bid Type	• Pay-as-Bid • The minimum Offered Contract Capacity per Bidder shall be at least 50 MW (net)
Operations Effective Date ("OED")	March 26, 2023*
Required Contract Period	March 26, 2023* until February 25, 2024
	*March 26, 2023 or such later date upon Notice of Award and ERC Approval
Conditions Precedent to OED	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; d. All Governmental authorizations which are required to be obtained in connection with the execution, delivery and commencement of performance of this Agreement shall have been obtained and be in full force and effect, including relevant permits and all other authorizations required pursuant to EPIRA, the Public Service Act, Energy Regulations 1-94 promulgated by DOE pursuant to Executive Order No. 215, all applicable Environmental Laws and regulations of the Department

	of Environment and Natural Resources of the Philippines; e. On or before seventy-five (75) Days 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); and f. Acceptance Date has occurred For avoidance of doubt, Meralco and Power Supplier shall immediately implement the PSA upon issuance of provisional authority by the ERC.
Plant Type	• Baseload (firm and dispatchable during all hours daily) • Single or Portfolio of Plants • Separate Delivery Points for each power plant generating unit as registered with the WESM
Tariff Structure of Contract Price	• Two-part tariff consisting of Fixed and Variable Costs • Capital Recovery Fee component of the Tariff should be fixed for the Required Contract Period and in PhP/kW-month. • Fixed O&M Fee Dollar and/or Peso component of the Tariff should be fixed for the Required Contract Period and in USD/kW-month and/or PhP/kW-month, respectively. • Variable O&M Fee Dollar and/or Peso component of the Tariff should be fixed for the Required Contract Period and in USD/kWh and/or PhP/kWh, respectively. • For purposes of evaluation in this bidding, the Bidder shall submit either of the following: (a) Latest three (3)-month average actual landed fuel cost of its Nominated Power Plant/s inclusive of supporting documents (*i.e., actual invoices from its fuel supplier/s*); or (b) Forecasted landed fuel cost. Upon implementation where the Winning Power Supplier provided "(a)", Fuel Cost component will be treated as a full pass-through and shall be based on the actual landed fuel cost (i.e. supported by actual invoices from fuel supplier/s) and in USD/kWh and/or PhP/kWh. In the event however that Bidder chose to submit "(b)" and is declared the Winning Power Supplier, such forecasted landed fuel cost shall be used as basis of its fuel cost, which shall not be subject to escalation during the Required Contract Period (*i.e. Bidder cannot pass-through its actual landed fuel cost*). • No Take-or-Pay on Variable Costs, which includes Fuel and Variable O&M • Separate line item proposal for the Bidder's Value Added Tax (VAT) rate that is applicable to its Tariff

	– The VAT status declared by Bidder upon submission of its Bid is binding upon 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. • Separate line item proposal for monthly Line Rental cap, as proposed by Bidder, which shall be fixed during the Required Contract Period but not exceed PhP0.1000/kWh • 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	• 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) and, in case fuel component is billed in US Dollar (USD), USD • Billing Period: (i) The period from and including the OED until the twenty-fifth (25th) Day of the calendar month 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; (ii) Each successive period ending on the twenty-fifth (25th) Day of each successive calendar month thereafter; and (iii) For the final Billing Period, the period starting immediately after the end of the next to last Billing Period of the Required Contract Period to the last Day of the Required Contract Period, or if the PSA is terminated earlier in accordance with its terms, from the twenty-sixth (26th) Day of the calendar month preceding the calendar month in which the PSA is terminated until the Day of termination.
Supply and Replacement 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 WESM or any other source, to be paid for by Meralco at the lower between the WESM price and Variable Price (in each case inclusive of all relevant transaction costs and taxes). • At the time of the OED of the PSA, no capacity and electrical output of the Plant within the Contract Capacity 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/s, WESM, or any other source, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Pesos (PHP908) multiplied by each MWh during a Day, which shall be used to reduce the generation charge to the consumers.
Force Majeure	• An Event of Force Majeure shall mean any circumstance not within the reasonable control, directly or indirectly, of the Party affected, but only and to the extent: (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 of, and shall not be considered to be in default with respect to, any obligation under the PSA (including any obligations 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. In case of an Event of Force Majeure affecting Power Supplier, Parties may agree that Power Supplier shall make available the Contract Capacity and deliver the Associated Energy from WESM and/or any other source, and MERALCO shall pay Power Supplier at the Contract Price. For avoidance of doubt and notwithstanding any other provision of this Agreement, should the Parties decide not to exercise such option, Meralco shall not be required to pay any Capital Recovery Fee and Fixed O&M Fee in respect of (i) any Contract Capacity and Associated Energy that is unavailable due to an Event of Force Majeure, or (ii) any Contract Capacity and Associated Energy that Meralco cannot receive or deliver to its customers due to an Event of Force Majeure. In respect of (ii) in the foregoing sentence, Power Supplier shall not be required to supply Meralco and may freely sell the Contract Capacity or the affected

	portion thereof to interested parties, including the WESM.
Grounds for Termination	• Event of Default • Non-Occurrence of OED • Expiration of Term • Material Adverse Government Action
Liquidated Damages	Upon the occurrence of an Event of Default ("**EOD**"), 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 EOD, in the amount of One Hundred Thousand Pesos (PhP100,000.00) per MW per day of the Contract Capacity for the remaining Required Contract Period of the PSA.
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 by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements.
Obligations of Meralco	Meralco shall purchase from Power Supplier, to the extent of Meralco's relevant day-ahead nominations, the Contract Capacity and Associated Energy.
Other Relevant Information	All Bids shall be evaluated based on a Total Delivered Headline Rate at 100% PCF (inclusive of VAT, line rental cap, and AS Cost recovery cap) over the Required Contract Period. The Bidder's Total Delivered Headline Rate is subject to a pre-determined Reserve Price, which will only be revealed by the TPBAC to Qualified Bidders during the opening of the Bids.

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/MERALCO-180MWBLCSP*>, to the **TPBAC Secretariat through its email address: *tpbacsecretariat@meralco.com.ph* no later than 6:00 P.M. of 24 February 2023** ("**Expression of Interest Deadline**"). For this purpose, the subject of all email communications should start with "**180 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 the higher between Six Hundred Thousand Pesos (PHP600,000.00), and Eight Thousand Pesos (PHP8,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity, *inclusive of VAT and net of creditable withholding tax* ("**Participation Fee**"), **which must also be made no later than Expression of Interest Deadline**, *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. 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 increase (but not decrease) their indicated Offered Contract Capacity and/or change their indicated Nominated Plant/s no later than **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.

The TPBAC shall conduct a Pre-Bid Conference at **2:00 P.M. to 4:00 P.M. on 28 February 2023** 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 27 February 2023** 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 16 March 2023** (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 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 16 March 2023,** the Interested Bidder shall submit at the **Lobby, PowerTech 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 16 March 2023,** 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