



Unsolicited Proposal (USP) for Supply to MERALCO under DOE 2023 CSP Policy and ERC CSP Rules

Submission Guidelines (6 March 2025)

Section 2.3 of the Department of Energy (DOE) Department Circular No. DC2023-06-0021, Series of 2023 (“DOE 2023 CSP Policy”), which was adopted by the Energy Regulatory Commission (ERC) in Section 5, Article IV of its Resolution No. 16, Series of 2023 (“ERC CSP Rules”), allows instances when distribution utilities (DU) can procure power supply without the conduct of a competitive selection process (CSP), subject to certain requirements.

While the DOE 2023 CSP Policy and ERC CSP Rules do not prescribe any process/documentation as to how DUs should receive USPs, the Manila Electric Company (MERALCO) developed its internal procedure/documentation to ensure structured documentation/implementation of this type of procurement and for guidance of power suppliers intending to submit proposals.

In view of the foregoing and subject to the DOE 2023 CSP Policy and ERC CSP Rules, MERALCO’s guidelines for the submission of USP (the “**Proposal Documents**”) by power suppliers (the “**Proponent**”) to MERALCO, if applicable, shall be as follows:

Proposal Documents to submit:

1. Cover letter addressed to MERALCO indicating the following:
 - Company profile;
 - General description of the proposal;
 - Proposed term/duration of the Power Supply Agreement;
 - Rate offered (PhP/kWh);
 - Capacity offered;
 - Whether offer is for Baseload, Mid-merit, or Peaking requirement; and
 - Other relevant information.
2. Proposed Terms of Reference containing details of the following:
 - Offered contract capacity and mode of operation (i.e., baseload, mid-merit, peaking)
 - Power plant details (e.g., location, technology)
 - Offered rate (e.g., two-part tariff or straight energy price; escalating or fixed)
 - Proposed start date and contract duration
 - Required outage days, plant capacity factor/availability

3. Proponent's Securities and Exchange Commission (SEC) registration or equivalent document from the country of incorporation/organization; and
4. Proponent's Articles of Incorporation (or Partnership, whichever is applicable), By-Laws, latest General Information Sheet, and latest Income Tax Returns and latest Audited Financial Statements.

MERALCO, as necessary, may request for additional documents/information to aid it in its evaluation of the USP.

Before a detailed evaluation of the USP can proceed, MERALCO shall validate that the proposal is consistent with MERALCO's latest Power Supply Procurement Plan (PSPP) approved by the DOE and posted in the DOE's CSP Portal [<https://csp.doe.gov.ph/home-power-supply-procurement-plan/>] and MERALCO's CSP website [<https://company.meralco.com.ph/csp/ongoingbids>].

Where to submit:

- The complete Proposal Documents must be submitted to MERALCO at the following email address: usp@meralco.com.ph

Contact Information:

Manila Electric Company (MERALCO) Energy Management

Attention: Mr. Sante C. Buella, Head

Email: usp@meralco.com.ph

- Upon notice to be provided by MERALCO to the Proponent, originals of the Proposal Documents must be placed in a sealed box and transmitted to MERALCO at the time and place indicated in the notice.

Time of Submission:

The Proposal Documents may be submitted between 8:00 A.M. and 5:00 P.M. of any day, provided that for submissions made after 5:00 P.M., or on a Saturday, a Sunday, a non-working national holiday, or a non-working day in Pasig City, the date of receipt shall be reckoned on the next working day.

However, for the purpose of determining the sequence or chronological order of a queue (if any), the proposal shall be deemed submitted on the actual date and time of submission.

Evaluation Fee:

If the Proposal Documents are found to be in order, Proponents shall be required to pay a non-refundable fee of the higher between Two Hundred Fifty Thousand Pesos (PHP250,000.00) and Twenty Thousand Pesos (PHP20,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity, inclusive of value added tax ("VAT") and net of creditable withholding tax ("Evaluation Fee"). Only Proponents which paid the Evaluation Fee shall have their Proposal Documents evaluated.

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.

Confidentiality

Information relating to the examination, clarification, evaluation and comparison of Proposal Documents, and recommendations concerning the USP, including internal deliberations thereon, shall not be disclosed to any third party; *provided* that MERALCO shall not have the obligation to keep any information submitted by a Proponent confidential after the signing of the PSA; *provided further* that MERALCO shall not have the obligation to keep any information submitted by a Proponent confidential (and will have discretion to voluntarily submit documents and information relating to the USP), if MERALCO is directed or asked to participate in an inquiry, case, or proceeding conducted by a court or governmental agency of the Philippines.

Reservation and Effectivity

MERALCO reserves its right to deny acceptance of any USP that does not conform with the process/requirements herein established.

These submission rules shall be effective upon posting in MERALCO's website.