Bid Requirements
Renewable Energy Contract Capacity of 500 MW (AC, net), COD March 2026

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**").

In case the Bidder formed an unincorporated joint venture or consortium for the purpose of this Bidding, its members must, **on or before the Bid Submission Deadline**, provide evidence that their rights and obligations, including liabilities in this Bidding and the resulting Power Supply Agreement ("**PSA**"), are solidary. Each party to the joint venture or consortium must separately submit Qualification Documents (Envelope 1) and Technical Proposal (Envelope 2) (e.g. especially if each joint venture or consortium member offers a different Nominated Power Plant), but shall submit (as one) only one Bid Price, including the Bid Security (Envelope 3). For this purpose, in relation to the Qualification Documents and Technical Proposal, each party to a Bidder joint venture or consortium shall be construed as the Bidder.

Summary of the Bidding Process through Competitive Challenge

This Bidding will follow the alternative mode of procurement via competitive challenge, pursuant to 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 is open to all Bidders that meet the financial, technical, commercial, and legal requirements of this Bidding, by submitting comparative proposals to the Original Proponent's ("**OP**") Unsolicited Proposal ("**USP**"). 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 Price indicating its Headline Rate and Levelized Cost of Electricity ("**LCOE**") for the Required Contract

Period. The Headline Rate should be **less than or equal** to the Headline Rate of the OP, and the Qualified Bidders' LCOE should be **less than** the LCOE of the OP, both as provided in the OP's Offer ("**OP Offer**") provided in the Invitation to Bid.

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/MERALCO500MWCSP*>. 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 **1:00 P.M. of 3 August 2022** ("**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**"). 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 **1:30 P.M. to 4:30 P.M. on 4 August 2022**. Prior to the Pre-Bid Conference, Interested Bidders are 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 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.

Transfer or assignment by, or purchase/investment/acquisition of rights and interest in, an entity that submitted the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy may only be exercised once on or before **4:00 P.M. of 30 August 2022** and on the condition that: (i) transfer or assignment is in favor of a juridical entity in which Bidder is a direct shareholder with Controlling interest, (ii) the transferee or assignee simultaneously submits an Expression of Interest, Confidentiality Undertaking, and Acknowledgement and Consent Form for Data Privacy in its name, and (iii) in cases of purchase/investment/acquisition of rights and interest in the Bidder, the Certificate Authorizing Registration (CAR) must already be issued by the Bureau of Internal Revenue (BIR) and the purchase/investment/acquisition duly registered in the stock and transfer book of the corporation.

(d) Bidders will then have until **11 August 2022** 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 **22 August 2022**.

(e) Interested Bidders may change their indicated Nominated Power Plant on or before **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.

(f) **On or before 9:00 A.M.** of **6 September 2022** (the **"Bid Submission Deadline"**), the Interested Bidders shall submit to the TPBAC their 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 6 September 2022, 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 **no** Bidder timely submitted its 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 6 September 2022** 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.

Before the TPBAC opens the said envelopes sequentially to determine the compliance and completeness of the Pre-Qualification Documents of the Interested Bidders, 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 its Document Submissions to a bank representative of an Allowed Bank listed in

Schedule 1, through a custodianship arrangement for its security and custody. For this purpose, 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. Only the sealed Envelope 3 of Qualified Bidders shall be returned to the TPBAC by the bank representative at the time and place of the Opening of Bid Prices (described below), as the TPBAC shall separately coordinate return by the bank representative (of the custodianship arrangement) of the sealed Envelope 3 of Interested Bidder/s found to have "failed" or have been disqualified in the Pre-Qualification Evaluation to the concerned Interested Bidder.

Thereafter, the TPBAC shall proceed to open the envelopes of the Pre-Qualification Documents sequentially to determine its compliance and completeness. 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, for a determination to the TPBAC's satisfaction if the said Interested Bidder/s complied with and are responsive to all the requirements and conditions specified in this IPB (the "**Pre-Qualification Evaluation**"). The TPBAC will then declare the number of days (after the Opening of Pre-Qualification Documents) that it will need to conduct the Pre-Qualification Evaluation. In the course of the Pre-Qualification Evaluation and as may be deemed necessary, the TPBAC and/or its Technical Working Group ("**TWG**"), as authorized by the TPBAC, may schedule a clarificatory conference with all Interested Bidder/s that timely submitted its Document Submissions, 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 clarificatory conference 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, through a bid bulletin, 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**"). The schedule and venue for the Opening of Bid Prices shall also be included in the said bid bulletin. 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

The TPBAC shall declare a failed bidding if **no** Bidder "passed" the Pre-Qualification Evaluation.

Before the start of the Opening of Bid Prices, the TPBAC Chairperson shall receive back in custody the Qualified Bidder/s' sealed Envelope 3 from the bank representative of the Allowed Bank in charge of the custodianship arrangement for the TPBAC. 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 that their Bid Prices 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.

The Qualified Bidders' Headline Rate should be **less than or equal to** the Headline Rate of the OP, and the Qualified Bidders' LCOE should be **less than** the LCOE of the OP, both as provided in the **OP Offer**. Thereafter, the TPBAC shall rank the Bidders' LCOE (that are less than the OP's LCOE) and shall determine the most advantageous bid ("**Best Bid**"). 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**").

In case of a tie between or among Qualified Bidders having the lowest Bids, the TPBAC shall give the said Bidders a period of time, on the same day, to improve their Proposed Price by submitting a lower LCOE until the tie is broken. Should both Qualified Bidders refuse to improve their Proposed Price, 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, if **no** Qualified Bidder "passed" the evaluation of Bid Prices, the TPBAC shall declare a failed bidding.

(g) If a Qualified Bidder's Bid is declared the Best Bid, the OP will be notified to allow it to exercise, within fifteen (15) days, its right to improve on the Best Bid's Proposed Price by submitting an LCOE that is lower than the Best Bid's LCOE ("**Right to Improve**"). If the OP chooses to exercise its Right to Improve within the prescribed period, it shall notify the TPBAC in writing via e-mail, which shall be accompanied by a new printout and soft copy file of the Financial Evaluation Worksheet containing the improved offer. If the TPBAC determines that the OP's Right to Improve was properly exercised and in order, it shall declare the OP as the Best Bid and the TPBAC shall proceed with the conduct of the Post-Qualification. If, however, the Original Proponent fails or elects not to exercise the Right to Improve within the prescribed period or provides notice that it is not exercising such right, the Qualified Bidder with the Best Bid shall be declared as such and the TPBAC shall proceed with the conduct of the Post-Qualification.

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

(i) 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 LCOE ("**Next Best Bid**") that it will be subjected to a Post-Qualification evaluation ("**Notification of Next Best Bid**"), subject to OP's Right to Improve. 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 LCOE, and so on until the notified Bidder passes the Post-Qualification and is declared as the Winning Power Supplier.

This option notwithstanding, if **no** Bidder with the Best Bid (or Bidder with the Next Best Bid) "passed" the Post-Qualification, and there is no other Bidder/s with the Next Best Bid, the TPBAC shall declare a failed bidding. If the reason is due to the Bidder with the Best Bid withdrawing its participation or refusal to proceed in the Bidding during Post-Qualification, and there is no other Bidder/s with the Next Best Bid, the TPBAC shall declare the OP as the Best Bid and the TPBAC shall proceed with the conduct of the Post-Qualification.

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

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

(k) 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.

Qualification Documents (Envelope 1)

1. Legal Qualification Requirements

(l) 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;

(m) 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 joint venture 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;

(n) 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 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;

(o) 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
Bayan Muna, et. al. v. Energy Regulatory Commission (ERC), et. al. (G.R. Nos. 210245, 210255 & 210502)	Supreme Court T.R.O. on MERALCO's December 2013 billing rate increase in relation to the generation cost price spike in November 2013 and December 2013
Consolidated Cases of (a) ERC vs. San Miguel Energy Corporation, et. al., G.R. Nos. 246621-30 and (b) Manila	Supreme Court – Legality of ERC Order voiding the Luzon WESM prices during the November and December 2013 supply months

Electric Company vs. San Miguel Energy Corporation, et. al., (G.R. No. 247352-61)	
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

(p) 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

(q) The Bidder must issue a notarized certification that the offered Contract Capacity from the Nominated Power 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. Technical Qualification Requirements

(a) As a general rule, the Bidder, whether directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent, must have a Reference Plant, whether in the Philippines or elsewhere. For this purpose, a "**Reference Plant**," as a general rule, means a single power plant of at least 25 MW (AC, net) installed capacity (firm, dispatchable and has attained a simple monthly average of at least 50% plant capacity factor ("PCF") over a 3-month consecutive period of operations) and which, in the reasonable opinion of the TPBAC, has been satisfactorily developed, constructed, and/or operated or maintained by the Bidder, its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent.

Should the Bidder elect to have any of its direct shareholders **not** representing Controlling interest, an Affiliate that is **not** in common Control, or Ultimate Parent that does **not** represent Control, submit the Reference Plant, the Bidder will be required to post an additional twenty-five percent (25%) of the base amount of the Bid Security. For clarity, the base amount of the Bid Security is equivalent to One Billion Five Hundred Million Pesos (PhP1,500,000,000.00) ("**Base Amount**").

Should the Bidder elect to submit a Reference Plant that does not fall in the definition above, a Bidder may submit an alternative single power plant of at

least 25 MW (AC, net) installed capacity that has attained a simple monthly average of at least 18% PCF over a 3-month consecutive period of operations, provided the Bidder will be required to post an additional twenty-five percent (25%) of the Base Amount.

An "**Affiliate**" means with respect to a specified entity, an entity that directly or indirectly, through one or more intermediaries, Controls (e.g. parent or grandparent company), is Controlled by (e.g. subsidiary) or is under common control (e.g. sister company) with the specified entity.

"**Control**" means: (a) the ownership (whether directly or indirectly) of more than fifty percent (>50%) of the total issued voting share capital of the company or corporation; or (b) the ability to unilaterally appoint a majority of the board directors or equivalent body of that company or corporation through the ownership of shares with voting power, without the need of the vote or approval of another shareholder; or (c) the ability to unilaterally direct the business affairs and/or operations of that company or corporation, day-to-day or otherwise, through means that are irrevocable and shall not expire at any given time for the duration of the project, without the need of the vote or approval of another shareholder.

The terms Controls, Controlled and Controlling shall have correlative meanings. For the avoidance of doubt, if a corporation is owned by two (2) shareholders at exactly fifty percent (50%) each, that corporation shall not be considered under the control of any such shareholder and, as such, both shareholders must separately submit Qualification Documents but shall submit (as one) only one Bid Price, including the Bid Security.

As a general rule, the Bidder must provide evidence that the Reference Plant is capable of generation of electricity of at least 25 MW (AC, net), which must be supported by an official document [GCMR] of the Bidder's Reference Power Plant as submitted by the Bidder to the ERC, showing that it attained a simple monthly average of at least 50% PCF over a 3-month consecutive period of operations within the most recent forty-two (42) month period of operations, certified as a true copy by the corporate secretary, in which case it must be under oath and notarized. If the Reference Plant is located outside of the Philippines, the Bidder must provide any equivalent or similar official document like the GCMR which is submitted to or issued by that foreign country's regulatory body or agency, and such document must be certified as a true copy by the corporate secretary, in which case it must be under oath and notarized;

If the Bidder elected to submit an alternative single power plant of at least 25 MW (AC, net) installed capacity that has attained a simple monthly average of at least 18% PCF over a 3-month consecutive period of operations, subject to the said Bidder's posting of an additional twenty-five percent (25%) of the Base Amount, it is required to submit the applicable requirements discussed above to prove the PCF (i.e. GCMR, notarized certification, and/or equivalent official document if located outside the Philippines).

(b) The Bidder must provide the Reference Plant's general information and its key components (e.g., boiler, turbine and generator), such as the design (e.g., type, including specific fuel, number of units, and capacity), plant site/s, and interconnection site/s;

(c) The Reference Plant must be covered by a Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the ERC, 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. If the COC/PAO is not available as of Bid Submission Deadline, the Bidder must submit an application for a COC/PAO pending before the ERC or any other official document coming from the ERC confirming the Reference Plant's authority to operate at least 25 MW (AC, net). If the Reference Plant is located outside of the Philippines, it must have the license or permit equivalent to the ERC's COC/PAO (e.g. a certification issued by that foreign country's regulatory body or agency for the power industry that the Reference Plant is licensed or authorized to operate a power plant - a self-certification issued by the Reference Plant's developer, owner or operator will not be accepted);

(d) If the Reference Plant is located in Luzon or Visayas, it must be registered as a direct member of the WESM and a copy of its Market Participation Agreement for the Reference Power 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. If the Reference Plant is located outside of the Philippines, it must submit the equivalent of these documents if in a foreign country and such document must be certified as a true copy by the corporate secretary, in which case it must be under oath and notarized;

(e) The Reference 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. If the Reference Plant is located outside of the Philippines, the Bidder must submit the equivalent of these documents if in a foreign country and such document must be certified as a true copy by the corporate secretary, in which case it must be under oath and notarized;

(f) If applicable, the Reference Plant must be covered by a valid Fuel Supply Agreement, which shall be duly certified by the corporate secretary, in which case it must be under oath and notarized. If the Reference Plant is located outside of the Philippines, the Bidder must submit the equivalent of these documents if in a foreign country and such document must be certified as a true copy by the corporate secretary, in which case it must be under oath and notarized; and

(g) 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.

3. 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 consortium, 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, 2020) and recent quarterly financial statements; and

(ii) the consolidated financial statements must show, as a general rule, an Unrestricted Net Worth of at least 30% of the Project Cost (defined below) ("**Required Unrestricted Net Worth**") based on its submitted financial statements.

If the Bidder's Unrestricted Net Worth is less than 30% of the Project Cost, the remaining percentage of the Project Cost that is not covered by the Unrestricted Net Worth should be covered by a debt Testimonial (discussed below) to be submitted by the Bidder (e.g. if 80% of the Project Cost is not covered by the Bidder's Unrestricted Net Worth, that 80% should be covered by a Testimonial [discussed below] to be submitted by the Bidder), provided that in order to exercise this option, the Bidder will be required to post an additional twenty-five percent (25%) of the Base Amount.

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.

(b) With respect to the Nominated Power Plant, the Bidder must provide the details of the costs of the project (the "**Project Cost**") and its proposed financing plan, specifically indicating the portion of the Project Cost to be financed by debt and by equity. Additionally, the Bidder must submit (1) in support of the portion of the Project Cost proposed to be financed by equity, a notarized letter from its shareholders confirming their respective equity commitment (each, a "**Commitment Letter**"); and (2) in support of the portion of the Project Cost proposed to be financed by debt, a Testimonial from one or more debt providers or arrangers, for the amount of the Project Cost that will be funded through debt to be obtained either by the Bidder directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent, if applicable (each, a "**Testimonial**"). The aggregate amounts indicated in the Commitment Letters and/or the Testimonial shall in no case be less than the Project Cost.

Technical Proposal (Envelope 2)

The Interested Bidder must identify its single or portfolio of proposed power plant/s, which must be located in Luzon or Visayas, *provided* that it is in commercial operation not earlier than February 2021 but no later than Scheduled Commercial Operations Date and, *provided further*, that it must be a mid-merit renewable energy power plant (firm and dispatchable) capable of supplying the offered Contract Capacity to Meralco for the Required Contract Period beginning on the Scheduled Commercial Operations Date ("**Nominated Power Plant**"). For clarity, the Nominated Power Plant must have separate Delivery Points for each power plant generating unit as registered with the Wholesale Electricity Sport Market (WESM) (for purposes of settlement and transfer of risk and loss), which Delivery Point should be in the Luzon or Visayas grid, nearest to Meralco's load center and subject to Meralco's approval.

In relation to the Nominated Power Plant, the Bidder must provide or submit **for each power plant or proposed site of the power plant**:

(a) Evidence of land acquisition, or legal possession of the proposed site/s of the Nominated Power Plant (i.e. including the Energy Storage System ["**ESS**"] component, if any) over the Required Contract Period, which, as a general rule, shows that the Bidder has acquired, or will be able to acquire ownership or legal possession of the right, title or interest therein.

If the Bidder merely submits evidence of a future right or ability to acquire ownership or legal possession of the right, title or interest of the proposed site/s of the Nominated Power Plant, and the Bidder becomes the Winning

Power Supplier but fails to secure, including but not limited to, the final or definite land ownership acquisition or legal possession documents (i.e. Absolute Deed of Sale/Lease) in its name and/or a certificate of finality of the relevant land conversion order issued by the Department of Agrarian Reform (DAR), within six (6) months from filing of the application for approval of the PSA with the ERC, the Winning Power Supplier is required to post an additional twenty-five percent (25%) of the Base Amount, and shall continue to post an additional twenty-five percent (25%) of the Base Amount every 6 months thereafter, until the aforesaid land ownership acquisition or legal possession documents and/or certificate of finality of the relevant land conversion order issued by DAR are actually submitted to Meralco and the ERC; *provided*, however, that in no case shall the total Bid Security exceed the total project cost of the Plant corresponding to the Contract Capacity; *provided further*, that if the Winning Power Supplier still fails to secure the aforesaid land ownership acquisition or legal possession documents and/or certificate of finality of the relevant land conversion order issued by DAR, and to submit these to Meralco and the ERC by the date falling one (1) year before the Scheduled COD, Meralco shall have the right to forfeit the Bid/Performance Security in its entirety and to terminate the PSA. In no case shall the Winning Power Supplier's failure, for any reason, to secure and submit the aforesaid land ownership acquisition or legal possession documents, and/or certificate of finality of the relevant land conversion order issued by DAR, be deemed as an event of *force majeure*, unforeseen circumstance to be claimed as an excused delay of the development of the project, or as a situation that is beyond the control of the Winning Power Supplier;

(b) Technical characteristics of the Plant showing evidence of compliance to the technical requirements stated in the Invitation to Bid's Terms of Reference Table ("**TOR Table**");

(c) The Bidder shall provide a description for the Nominated Power Plant, and of its use of a technology that complies with the prevailing emission standards under pertinent DENR issuances on emission and other environmental standards for power plants as well as the appropriate international codes and standards (e.g. IEC-International Electro-technical Commission, IEEE-Institute of Electrical and Electronics Engineers, ANSI-American National Standards Institute, ASME-American Society of Mechanical Engineers, ASNT-American Society for Non-destructive Testing, ASTM-American Society for Testing and Materials, BSI-British Standards Institute, ISO-International Organization for Standardization, NBS-National Bureau of Standards, USA, NACE-National Association of Corrosion Engineers, NEMA-National Electrical Manufacturers Association, PBC-Philippines Building Code, etc.), *provided* compliance with statutory and local Philippines laws and regulations shall take precedence over international standards.

(d) The Bidder shall provide convincing proof that the technology of the Nominated Power Plant's individual component / novel use or arrangement is of proven design and technology, which means that a generating unit of the same

technology for the said individual component / novel use or arrangement with at least 25 MW (AC, net) installed capacity, must have been engaged in reliable commercial operation for at least one (1) year in a 60 Hertz system ("**Comparable Plant**")"

The Comparable Plant will be considered to have been in "reliable" commercial operation for the purposes of this requirement if the TPBAC's independent engineer determines that the Comparable Plant taken as a whole, considering the submitted individual component / novel use or arrangement, has (i) attained a simple monthly average of at least [*equivalent offered PCF percentage of the Bidder's Nominated Power Plant*] PCF over a 3-month consecutive period of operations within the most recent forty-two (42) month period of operations, **or** (ii) can attain a simple monthly average of at least [*equivalent offered PCF percentage of the Bidder's Nominated Power Plant*] PCF over a 3-month consecutive period of operations..

For this purpose, the Bidder's authorized representative should submit a notarized certification attaching as proof a certification, issued by the Comparable Plant's owner, operator, or manufacturer, or a certification from a reputable and capable international firm of engineers, that the Comparable Plant is of the same proven design and technology as the Bidder's Nominated Power Plant's individual component / novel use or arrangement, with at least 25 MW (AC, net) installed capacity and has been engaged in reliable commercial operation for at least one (1) year in a 60 Hertz system. For clarity and for this purpose only, when the certification from the Comparable Plant's owner, operator, or manufacturer, or a certification from a reputable and capable international firm of engineers is issued or executed in a foreign country, it need not be notarized, authenticated or apostilled; provided the certification executed by the Bidder's authorized representative, which attaches the said owner, operator or manufacturer's certification or the certification from a reputable and capable international firm of engineers, is duly notarized and/or authenticated or apostilled, as the case may be;

(e) The Project's Feasibility Study;

(f) Details of the Project's execution, where the Bidder shall provide a description on how it will carry out the development, financing, construction, interconnection, operation, and maintenance of the Nominated Power Plant, including but not limited to general information on the Nominated Power Plant and its key components, such as the design data (e.g., type, including specific fuel, number of units, and capacity), proposed plant site/s, and proposed interconnection site/s; the key project milestone schedule, if available; and the details on the development, engineering, procurement and construction plan of the Nominated Power Plant;

(g) The Bidder shall submit a certified statement that the Nominated Power Plant is capable of operating consistent with the Performance Guarantees;

(h) The Renewable Energy Contract/s for the Nominated Power Plant executed with the DOE; or an application for Renewable Energy Contract/s pending before the DOE, provided a certified true copy of the Renewable Energy Contract/s must be submitted during Post-Qualification if the Bidder's Bid Price is declared as the Best Bid;

(i) The Environmental Compliance Certificate/s (ECC) issued by the Department of Environment and Natural Resources (DENR) for the Nominated Power Plant (i.e. including the ESS component), or application/s for ECC pending before the DENR (or an ECC that did not include the ESS component), provided that if the Bidder becomes the Winning Power Supplier, a certified true copy of the ECC (or the ECC that includes the ESS component) issued by the DENR must be submitted as required by the ERC;

If the Bidder merely submits an application for ECC pending before the DENR (or an ECC that did not include the ESS component), and the Bidder becomes the Winning Power Supplier but fails to secure the ECC from the DENR (or submit an ECC that includes the ESS component), within six (6) months from filing of the application for approval of PSA with the ERC, the Winning Power Supplier is required to post an additional twenty-five percent (25%) of the Base Amount, and shall continue to post an additional twenty-five percent (25%) of the Base Amount every 6 months thereafter until the ECC (or an ECC that includes the ESS component) is actually submitted to Meralco and the ERC; *provided*, however, that in no case shall the total Bid Security exceed the total project cost of the Plant corresponding to the Contract Capacity, *provided further*, that if the Winning Power Supplier still fails to secure the ECC (or an ECC that includes the ESS component) and to submit it to Meralco and the ERC by the date falling one (1) year before the Scheduled COD, Meralco shall have the right to forfeit the Bid/Performance Security in its entirety and to terminate the PSA. In no case shall the Winning Power Supplier's failure to secure and submit the ECC (or an ECC that includes the ESS component), for any reason, be deemed as an event of *force majeure*, unforeseen circumstance to claim as an excused delay of the development of the project, or as a situation that is beyond the control of the Winning Power Supplier;

(j) The Grid Impact Study/ies (GIS) / System Impact Study/ies (SIS) for the Nominated Power Plant, whichever is applicable, issued by NGCP; or application/s for GIS/SIS pending before the NGCP, provided a certified true copy of the GIS/SIS must be submitted during Post-Qualification if the Bidder's Proposed Price is declared as the Best Bid.

Should the Nominated Power Plant have an ESS component, and the Bidder submits a GIS/SIS that does not include the ESS component of the Nominated Power Plant, and the Bidder becomes the Winning Power Supplier but fails to secure the GIS/SIS that includes the ESS component of the Nominated Power Plant within six (6) months from filing of the application for approval of the PSA with the ERC, the Winning Power Supplier is required to post an additional twenty-five percent (25%) of the Base Amount, and shall continue to post an

additional twenty-five percent (25%) of the Base Amount every 6 months thereafter until the GIS/SIS that includes the ESS component of the Nominated Power Plant is actually submitted to Meralco and the ERC; *provided*, however, that in no case shall the total Bid Security exceed the total project cost of the Plant corresponding to the Contract Capacity; *provided further*, that if the Winning Power Supplier still fails to secure the GIS/SIS that includes the ESS component of the Nominated Power Plant and to submit it to Meralco and the ERC by the date falling one (1) year before the Scheduled COD, Meralco shall have the right to forfeit the Bid/Performance Security in its entirety and to terminate the PSA. In no case shall the Winning Power Supplier's failure, for any reason, to secure and submit the GIS/SIS that includes the ESS component of the Nominated Power Plant, be deemed as an event of *force majeure*, unforeseen circumstance to be claimed as an excused delay of the development of the project, or as a situation that is beyond the control of the Winning Power Supplier;

(k) If applicable, the Certificate/s of Non-Overlap (CNO) and/or Free and Prior Informed Consent (FPIC) Certificate/s issued by the National Commission on Indigenous Peoples (NCIP) for the Nominated Power Plant, or application/s for the CNO and/or FPIC Certificate pending before the NCIP, provided that if the Bidder becomes the Winning Power Supplier, a certified true copy of the CNO and/or FPIC Certificate/s issued by the NCIP must be submitted as required by the ERC;

(l) If applicable, the Water Rights Permit/s issued by the National Water Resources Board (NWRB) for the Nominated Power Plant, or application/s for the Water Rights Permit/s before the NWRB, provided that if the Bidder becomes the Winning Power Supplier, a certified true copy of the Water Rights Permit issued by the NWRB must be submitted as required by the ERC; and

(m) 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 Price (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 following:

1. The Capital Recovery Fee (CRF) should be fixed for the Required Contract Period in KW/year, and in Philippine currency;

2. Fixed O&M (FOM) fee;

3. The Bidder shall also indicate the Line Rental cap on a yearly basis starting Contract Year 1. In no case will the annual Line Rental cap be higher than PhP 0.1000/kWh.

4. Zero-rated Value-Added Tax (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 entire Term 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.

      To illustrate, if the Bidder declares that it is zero-rated, and said Bidder is later declared as a Winning Power Supplier, then the Proposed Price is deemed inclusive of 12% VAT rate if power is sourced from non-renewable energy, or 0% VAT rate if power is sourced from eligible renewable energy (i.e. the 12% VAT will be for the account of the Power Supplier, and that imposition of 12% VAT in the future cannot be claimed as Change in Circumstances during the PSA's Term);

5. In view of DOE Circular No. DC2019-012-0018, an Ancillary Services (AS) Cost Recovery cap 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; and

The **Bid Security**, comprised of the Base Amount and any increments thereto required from the Bidder as a result of the applicable circumstances above, equivalent to **One Billion Five Hundred Million Pesos (PhP1,500,000,000.00)** 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.