



BIDDING

RENEWABLE ENERGY CONTRACT CAPACITY OF 350 MW (AC, NET), EFFECTIVE MARCH 2025 TO INCREASE BY 150 MW (AC, NET), EFFECTIVE MARCH 2026 ("500 MW RE Mid-Merit Requirement Effective March 2025")

BID BULLETIN NO. 2

To all Interested Bidders:

1. A matrix containing the set of Pre-Bid Conference queries that have been received by, and the corresponding responses of, the Meralco's BAC-PSA is set out in **ANNEX A**.
2. A matrix showing the amendments to the Bid Requirements, Instructions to Prospective Bidders and Power Supply Agreement template is provided herein as **ANNEX B**.

For your guidance and information.

Issued on 20 June 2024.

**Bids and Awards Committee-Power Supply Agreements ("BAC-PSA")
Manila Electric Company**

(sgd)

Lawrence S. Fernandez
Chairman

**COMPETITIVE SELECTION PROCESS (CSP) FOR 350 MW (AC, NET, EFFECTIVE MARCH 2025) TO INCREASE BY 150 MW (AC, NET, EFFECTIVE MARCH 2026) RENEWABLE ENERGY
MID-MERIT SUPPLY REQUIREMENT ("500 MW RE MID-MERIT REQUIREMENT EFFECTIVE MARCH 2025")**

FORMATTING/PROCEDURAL-RELATED QUERIES/COMMENTS					
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1.		Format of Submission of Qualification Documents / IPB	Section 3.4.2 / Page 37	The IPB requires each set to be clearly marked on each page with "ENVELOPE 1-QD-ORIGINAL" and so on. Please confirm if this should serve as a header or a footer (i.e., where this will be located in the page).	This may be a stamp (for ease of marking the pages) and can be on the top or bottom corner for as long as it is easy to track for the BAC-PSA and its TWG.
2.		Opening of Envelopes / IPB	Section 4 / Page 39	Please confirm the order by which sets of envelopes will be opened (i.e., by order of submission, alphabetically, or some other sequence).	<p>Please refer to the Bid Requirements Summary of the Bidding Process (page 1) or Sec. 2.2 or Sec. 4 of the Instructions to Prospective Bidders (IPB). The set of envelopes will be opened sequentially, starting with Envelope 1, etc.</p> <p>As a matter of practice, the BAC-PSA opens the bid submissions of the bidders in the chronological order of receipt of the physical copy boxes delivered by the Interested Bidders between 8:00 AM to 9:00 AM of the Bid Submission Deadline.</p>
3.		Technical Proposal (Nominated Plant) / IPB	Annex TP-1 / Page 90	<p>Please confirm that Annex TP-1 and the Certification regarding Technical Proposal will be accomplished on a per plant basis if the Bidder is using a portfolio of power plants, and that the documents will be organized on a per document basis. Thus, if the Bidder has two Nominated Plants, it will have two sets of documents per required attachment, as may be applicable, organized on a per required attachment basis. For example, Annex TP-1 will look like as follows:</p> <ol style="list-style-type: none"> 1. Proof that Bidder... has sufficient authority – 2 documents (1 for each Nominated Plant) 2. Technical characteristics – 2 TOR tables (1 for each Nominated Plant) 3. 5. Comparable Plant – Only 1 if both Nominated Plants (not yet in commercial operations) use the same Comparable Plant 15. If already in commercial operation <ol style="list-style-type: none"> a. COC or PAO – 2 documents (1 for each Nominated Plant) b. ... 	This is correct and the presented example Annex TP-1 and accompanying attachments is acceptable.
4.		Pagination and Paper Size / IPB	Section 3.4.1 (b) / Page 36	May we suggest that the pagination of documents be done on a per individual document basis, inasmuch as each individual document submitted will be labelled with a document tab or separator.	The page numbers will need to be for the whole set as this is used by the BAC-PSA to monitor if there are any

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				May we also suggest that Bidders be allowed to print and submit the documents in either letter size (8.5" x 11") or standard A4 size (8.3" x 11.7").	missing/skipped/loose pages in the whole set of documents inside one envelope. Yes, a mix of paper sizes will be allowed.
5.		Electronic Copies / IPB	Section 3.4.1 (d) / Page 37	May we suggest that for the electronic copies, Bidders be allowed to put numbers/letters at the beginning of each file name (before the Bidder's shorthand or acronym) so that the files will be organized and sequenced properly in the same order they appear in Section 3.1, 3.2, and 3.3.	Yes, this will be allowed.
6.		Pre-Bid Conference open forum question		May we request that a copy of the responses of Meralco be sent to the Bidders today [14 June 2024]?	As there are many items still for discussion during the Pre-Bid Conference's discussion of advance queries submitted, the BAC-PSA, as in prior CSPs, will endeavor to release the written responses as soon as possible. Usually, the BAC-PSA's target is to release a bid bulletin before the deadline for comments so that the bidders may also consider them when they submit additional queries. The deadline for comments in this Bidding is June 24, 2024, so the BAC-PSA will endeavor to release a bid bulletin much earlier than that.
7.		Pre-Bid Conference open forum question		Since most of the items have been answered and are not awaiting further discussion, we suggest that the bid bulletin be released without the ones for discussion.	The BAC-PSA will try to break down the matrix of comments and release those items that we have answered already, hopefully, early next week.

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8.		Bidding Documents / Instruction to Prospective Bidders (" IPB ")	Section 2 (c) / Page 8	<p>["(c) The PSA template and its appendices and attachments shall be the principal document governing the contractual terms between Meralco and the Winning Power Supplier with regard to this Bidding, except to the extent that the terms of the PSA template are modified after the Bidding to reflect the terms and conditions of the Technical Proposal and Bid Price of the Winning Power Supplier for purposes of signing/executing the PSA.</p> <p>During the Bidding, in case of conflict between the Bidding Documents and the PSA template, the provisions of the PSA template shall prevail.</p> <p>However, to reiterate, upon execution and implementation of the PSA, the provisions of the PSA shall be read in light of the Bidding Documents, including relevant bid bulletins, and the Document Submissions of the Winning Power Supplier, all of which shall remain binding upon said Winning Power Supplier. In particular, in case of conflict between the TOR and the PSA, the provisions of the TOR shall prevail, subject to notices and/or bid bulletins that amends the Bidding Documents, including the TOR, within the period prescribed in this IPB."]</p> <p>The provision seems confusing and/or conflicting, what will prevail in case of conflict "During the Bidding" and "after the execution of the PSA"?</p> <p>Based on the provision: During the bidding, the PSA template prevails. However, upon execution of the PSA (adopting the PSA template), the PSA shall be read in light of the Bidding Documents and if a conflict occurs, the TOR prevails.</p> <p>We note that the definition of Bidding Documents does not include the TOR.</p> <p>May we request for clarity on the provision.</p>	<p>This IPB provision stating that: "In particular, in case of conflict between the TOR and the PSA, the provisions of the TOR shall prevail, subject to notices and/or bid bulletins that amends the Bidding Documents, including the TOR, within the period prescribed in this IPB" is an improved version of what Sec. 3, Appendix B of the ERC CSP Guidelines required that: "In case of conflict between the TOR and the PSA, the former shall prevail."</p> <p>The definition of "Bidding Documents" includes the Invitation to Bid – which in turn contains the TOR.</p>
9.		Nominated Plant / IPB and		The Invitation to Bid recognizes that a "single or portfolio of plant/s" may be used by the Interested Bidder to participate in the Bidding.	The proposal that "administrators who administer or manage the output of power plants or have the ability to deliver the

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		Invitation to Bid ("ITB")		Section 3.2 of the IPB thus qualifies that "[t]he Interested Bidder must identify the proposed power plant/s that it or its direct shareholder representing Controlling interest is the developer of, owner of, and Controls, and has sufficient authority to enter into the offtake agreement..." This section then effectively requires that the Interested Bidder must, at the same time, be, directly or indirectly, the developer of, owner of, Controls, and has sufficient authority to enter into the offtake agreement over the Nominated Plant. We note that this provision is restrictive and we suggest that administrators who administer or manage the output of power plants or have the ability to deliver the Offered Contract Capacity regardless of whether it is the developer of, owner of, or controls the Nominated Plant be likewise allowed to participate. This is recognized by the PSA template itself when it uses the word "administers" in paragraph B of the Recitals.	Offered Contract Capacity regardless of whether it is the developer of, owner of, or controls the Nominated Plant be likewise allowed to participate" will be allowed.
			Bid Bulletin No. 1 / Pages 3-4	We acknowledge that Bid Bulletin No. 1 - Amendments to the Bid Requirements Item 4 and Amendments to the IPB Item 2 in Bid Bulletin No. 1 includes the concept of administrator but note that the Interested Bidder is still required to show that it has Control over the Nominated Plant. We still believe this is restrictive.	
			Section 9 / Page 5	As such, we propose the addition of the following terminology in Section 9, as follows: <u>"Administrator" means the Bidder which exercises control, management, or administration over the output or capacity of the Nominated Plant or portfolio of power plants.</u>	This Bidder's proposed amendments to the IPB Annex templates will be allowed.
			Section 3.2 / Page 28	Consistent therewith, we suggest the following revisions in Section 3.1.2 (a): "(a) executive summary showing a brief description of its company history and structure, including relevant capabilities in the construction, operation, and maintenance of a power plant or in the supply of electricity or <u>administration or management of the output of a power plant.</u> ;"	

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			Annex QD-1A / Page 61	<p>Subsequently, we suggest the following revision in Section 3.2:</p> <p>“The Interested Bidder must identify the proposed power plant/s that –</p> <p>(1) it or its direct shareholder representing Controlling interest is the developer of, owner of,or administrator, and Controls, or</p> <p>(2) it is the Administrator of,</p> <p>and has sufficient authority to enter into the offtake agreement with Meralco, which must be capable of supplying the Offered Contract capacity to Meralco for the Required Contract Period, ... (“Nominated Plant”). ...”</p> <p>Pursuant thereto, and to accommodate Nominated Plants which have yet to start commercial operations, we suggest the revision of Annex QD-1A, paragraphs 2 and 3, as follows:</p> <p>“2. I am the duly elected (<i>corporate secretary/assistant corporate secretary</i>) of (<i>name of owner <u>or Administrator</u> of the Nominated Plant</i>)...”</p> <p>“3. The Company has been (<i>established to develop, own, operate, <u>or administering</u></i>) a (<i>specify details of the Nominated Plant</i>) which (<i>started <u>or will start</u></i>) commercial operations on (<i>specify date, as applicable</i>).</p> <p>“4. At a (regular/special) meeting of the board of directors...</p> <p>RESOLVED, AS IT ITS HERBY RESOLVED, that the (name of owner <u>or Administrator</u> of the Nominated Power Plant) (the “Company”) be, and is hereby authorized ...;</p> <p>xxx xxx xxx”</p>	
			Annex TP-1 / Page 90	<p>Pursuant thereto, we also suggest the revision of Annex TP-1, paragraph 1, as follows:</p>	

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			Annex QD-2 / Page 64	<p>"1. Proof that <u>(a)</u> the Bidder or its direct shareholder representing Controlling interest is the developer of, owner of, or administrator, and Controls, the Nominated Plant <u>or (2) the Bidder exercises control, management, or administration over the output or capacity of the Nominated Plant,</u> and has sufficient authority to enter into the offtake agreement with Meralco;"</p> <p>Finally, we suggest the revision of Annex QD-2 as follows:</p> <p>"(a) executive summary showing a brief description of its company history and structure, including relevant capabilities in the construction, operation, and maintenance, of a power plant or in the supply of electricity or in the administration or management of the output of a power plant;"</p>	
10.		Comparable Plant / IPB	Section 3.2 (d) / Page 29	<p>We suggest that the requirement for the Comparable Plant be no longer required for technologies which have already been of proven design because of the current usage in the industry (i.e., ground-mounted solar and onshore wind technologies).</p> <p>In the alternative, given the current landscape of solar power plants in the Philippines, we suggest that the 100 MW installed capacity specifically refer to DC capacity.</p> <p>In case the BAC-PSA does not agree with the above proposals, we suggest, as a final alternative, that the Bidder be allowed to use a portfolio of plants to comply with the 100 MW requirement on the Comparable Plant, especially since the CSP allows Bidders to use a portfolio of plants to meet Meralco's requirement.</p>	<p>a. The main purpose of requiring a Comparable Plant is to ascertain that the Nominated Plant's technology is of proven design and reliability. The BAC-PSA will not be able to prove or quantify if the Nominated Plant's technology is indeed of proven design and reliability if this requirement will be removed.</p> <p>b. The minimum size of the Comparable Plant should be the same as the minimum Offered Contract Capacity of 100 MW AC, net.</p> <p>c. Considering that this CSP is specifically for MERALCO's compliance for Renewable Portfolio Standards (RPS) and limited to mid-merit RE plants as Nominated Plants, we are amenable to the suggestion that a Bidder may use a portfolio of plants to comply with the 100 MW requirement on the Comparable Plant.</p>
11.		Costs and Expenses / IPB	Section 2.4 / Page 17	With respect to the requirement that the Winning Power Supplier shall bear all the costs related to engaging the services of an Independent Engineer during this Bidding, we suggest that the cost the Winning	This is noted.

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				Power Supplier bears should only correspond to the examination of its own Reference/Comparable/Nominated Plants, and not the other bidders'. In any case, we likewise suggest that there be a commercially reasonable cap for the cost corresponding to the Independent Engineer.	<p>An amendment to Sec. 2.4 of the IPB will be made to state that the cost related to engaging the services of the Independent Engineer shall be pro-rated among the Winning Power Supplier/s' contracted capacity, to wit:</p> <p>"2.4. COSTS AND EXPENSES</p> <p>xxx xxx xxx</p> <p>The Winning Power Supplier shall bear all the costs related to engaging the services of an Independent Engineer during this Bidding <u>which shall be pro-rated among the Winning Power Supplier/s' contracted capacity</u>; the pre-filing publication cost and filing fee of the relevant joint application for approval of the PSA with the ERC, while Meralco shall bear the publication cost and posting expenses of the notice of public hearing to be issued by the ERC for the said joint application."</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
12.		Pre-Bid Conference / IPB	Section 2.8 / Page 20	<p>Based on a reading of this paragraph in Section 2.8, we suggest to insert the word "not", as follows:</p> <p>"The members of the BAC-PSA in physical attendance shall then sign over the sealed flap of the outer envelope. At least one member of the BAC-PSA shall be required to attend in person in order to sign over the sealed flap of the outer envelope to ensure its integrity. If member of the BAC-PSA is <u>not</u> available to be physically present to sign the sealed flap of the outer envelope, the BAC-PSA may determine other measures to be implemented to ensure the integrity of the sealed envelope, including the designation of a member of its TWG to sign over the sealed flap of the outer envelope. Thereafter, the BAC-PSA shall place or transfer custody of the sealed outer envelope to a bank representative of an Allowed Bank listed in Schedule 1, through a custodianship arrangement for the security and custody of the Reserve Price</p>	This typographical correction will be allowed and observed by the BAC-PSA.

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				envelope, which envelope shall be returned at the time and place of the Opening of Bid Prices."	
13.		Document Submissions / IPB	Section 3 / Page 23	<p>Depending on the Nominated Plants that will be offered by the Bidders, some of the documentary submissions may not be applicable. For instance, statement of the fuel source and fuel supply plan are not applicable for Nominated Plants that are using renewable energy sources.</p> <p>We suggest that, in lieu of the documentary requirement, a write-up be submitted explaining why the requirement is not applicable to the Bidder. Thus, we suggest adding in Section 3.2 as third paragraph the following:</p> <p align="center"><u>"For documents that are not applicable to a Bidder, a write-up explaining why the documentary requirement is not applicable should be attached."</u></p>	<p>Yes, for RE plants that do not require or have a fuel supply plan, a write-up of non-applicability will be allowed.</p> <p>Please note that for other requirement not pre-approved by the BAC-PSA, since it is the Bidder determining for itself the non-applicability of a particular requirement prescribed under the Bid Documents for this CSP, the Bidder bears the risk of the BAC-PSA interpreting differently the applicability or non-applicability of the said requirement – especially during the BAC-PSA's non-discretionary "Pass/Fail" assessment for completeness.</p> <p>Thus, it is recommended that, alternatively, a Bidder can pose a query on the justification it intends to provide, on or before the deadline of bidders to submit comments, to allow the BAC-PSA, on or before the deadline to respond to bidders' queries, to also respond to the query with respect to this item.</p>
14.		IPB Fuel Supply Agreement	Annex TP-1 item 8/ Page 93	If Nominated Plant is a hydropower plant, it does not have a Fuel Supply Agreement. Can Bidder just submit an explanation in lieu thereof?	Yes (<i>see response immediately above</i>).
15.		Diagram of corporate structure / IPB	Section 3.1.2 (e) and Annex QD-2 (e) / Pages 24 and 64	We propose that the Affiliates mentioned in Section 3.1.2 (e) and Annex QD-2 (e) refer to the Bidder's Affiliates in the Philippines which (1) are part of the Generation, Distribution, and Supply Sectors as defined in the Electric Power Industry and Reform Act, and which are currently commercially operating for the Generation Sector, and (2) are used by the Bidder as part of this bidding (i.e., SPVs of the Reference, Comparable, and Nominated Plant). We believe that the inclusion of other Affiliates (e.g., those outside the Philippines, those not engaged in Generation, Distribution, or Supply, or those not yet commercially operating) will not be relevant to the Bidding and the disclosure of such confidential/proprietary information may be prejudicial to the Bidder.	<p>This requirement is based on the ERC's PSA application pre-filing checklist. The ERC will eventually ask this from this Bidding's Winning Power Supplier.</p> <p>Going back to the request, the following items will be allowed not to be included in the diagram: those outside the Philippines, and those not engaged in Generation, Distribution, or Supply.</p> <p>However, those Affiliates of the Interested Bidder, located/based in the Philippines that are engaged in Generation, Distribution or Supply but still not yet commercially operating, this will be required to be included in the diagram.</p>

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16.		List of projects / IPB	Section 3.1.4 (a) / Page 25	<p>We suggest that for item (i), only generation projects undertaken in the Philippines be included as those in the Philippines are the most relevant ones for purposes of proving technical qualification.</p> <p>For item (iii), we suggest that we be allowed to submit GCMR certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized, as it is an accepted evidence of operations in this bidding (referring to Section 3.1.4 (c)).</p>	<p>a. This request will be allowed. It must be noted that Sec. 3.1.4 (a) of the IPB was lifted, in verbatim, from item d., Annex 1 (Eligibility Requirements) of the ERC CSP Guidelines, which we note did not distinguish whether the projects, generations plants or power plants were from the Philippines or abroad.</p> <p>However, considering that the IPB is requiring an additional proof of technical qualification (i.e. the Reference Plant), the BAC-PSA and its TWG are amenable to the proposal in limiting Sec. 3.1.4 (a) of the IPB to only the generation projects undertaken in the Philippines.</p> <p>b. The GCMR certified by the corporate secretary/assistant corporate secretary will be allowed.</p>
17.		Invitation to Bid ("ITB")	[General]	Please confirm that any reference to Corporate Secretary is understood to include Assistant Corporate Secretary as an alternative?	For this purpose, documents indicated as required to be certified by the corporate secretary can instead be certified by the assistant corporate secretary, especially if so authorized under the company's by-laws.
18.		Certification of Qualification Documents / IPB	Section 3.14 (c) / Page 26	<p>We suggest allowing the assistant corporate secretary to certify the following documents as true copy:</p> <p>"(c) In respect of any Reference Plant, proof that the Reference Plant is capable of generation of electricity of at least 100 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/<u>assistant corporate secretary</u>, 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</p>	(see response immediately above)

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			Section 3.14 (d) / Page 26	corporate secretary/ <u>assistant corporate secretary</u> , in which case it must be under oath and notarized;" “(d) Proof that the Reference Plant is 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 (i) the corporate secretary/ <u>assistant corporate secretary</u> , 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 100 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);”	
			Section 3.14 (e) / Page 26	“(e) In respect of a Reference Plant located in Luzon or Visayas, it must be registered as a direct member of the WESM and submit a copy of its Market Participation Agreement for the Reference Plant, which shall be certified as a true copy by (i) the Philippine Electricity Market Corporation and/or Independent Electricity Market Operator of the Philippines; or (ii) the corporate secretary/ <u>assistant corporate secretary</u> , in which case it must be under oath and notarized. 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/ <u>assistant corporate secretary</u> , in which case it must be under oath and notarized; and ”	
			Section 3.14 (f) / Page 27	“(f) Proof that the Reference Plant is covered by a valid Transmission Service Agreement (TSA) or a Distribution	

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			Section 3.14 (h) / Page 27	<p>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/<u>assistant corporate secretary</u>, 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized;"</p> <p>"(h) If available, 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized."</p>	
			Annex QD-7 (c) / Page 78	<p>Consistent with the above suggestions, we likewise suggest that these changes be reflected in Annex QD-7, as follows:</p> <p>"(c) In respect of any Reference Plant, proof that the Reference Plant is capable of generation of electricity of at least 100 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/<u>assistant corporate secretary</u>, 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized;"</p>	
			Annex QD-7 (d) / Page 78		

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INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS					
		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
			Annex QD-7 (e) / Page 79	<p>"(d) Proof that the Reference Plant is 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 (i) the corporate secretary/<u>assistant corporate secretary</u>, 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 100 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);"</p>	
			Annex QD-7 (f) / Page 79	<p>"(e) In respect of a Reference Plant located in Luzon or Visayas, it must be registered as a direct member of the WESM and submit a copy of its Market Participation Agreement for the Reference Plant, which shall be certified as a true copy by (i) the Philippine Electricity Market Corporation and/or Independent Electricity Market Operator of the Philippines; or (ii) the corporate secretary/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized. 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized; and"</p>	
				<p>"(f) Proof that the Reference Plant is 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</p>	

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			Annex QD-7 (h) / Page 79	<p>corporate secretary/<u>assistant corporate secretary</u>, 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized;"</p> <p>"(h) If available, 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/<u>assistant corporate secretary</u>, in which case it must be under oath and notarized."</p>	
19.		Technical Proposal / IPB	<p>Section 3.2 (j) / Page 30</p> <p>Section 3.2 (k) / Page 30</p> <p>Section 3.2 (l) / Page 30</p>	<p>We suggest that the following requirements in Section 3.2 be allowed to be certified by the corporate secretary/assistant corporate secretary, as follows:</p> <p>"(j) The Renewable Energy Contract/s for the Nominated Plant executed with the DOE; or an application for Renewable Energy Contract/s pending before the DOE, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Renewable Energy Contract/s <u>by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u>, must be submitted during Post-Qualification;"</p> <p>"(k) The Environmental Compliance Certificate/s (ECC) issued by the Department of Environment and Natural Resources (DENR) for the Nominated Plant, or application/s for ECC pending before the DENR, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the ECC issued by the DENR <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u>, must be submitted during Post-Qualification;"</p> <p>"(l) The Grid Impact Study/ies (GIS) / System Impact Study/ies (SIS) for the Nominated Plant or, if embedded,</p>	(see response immediately above)

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INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS					
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			<p>Section 3.2 (m) / Page 31</p> <p>Section 3.2 (n) / Page 31</p> <p>Annex TP-1 (9) / Page 93</p>	<p>Distribution Impact Study (DIS) / Distribution Asset Study (DAS) (which should include amendments, if any), whichever is applicable, issued by NGCP or applicable distribution utility; or application/s for GIS/SIS or DIS/DAS, pending before the NGCP or applicable distribution utility, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the GIS/SIS or DIS/DAS <u>by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u>, must be submitted during Post-Qualification;"</p> <p>"(m) 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 Plant, or application/s for the CNO and/or FPIC Certificate pending before the NCIP, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the CNO and/or FPIC Certificate/s issued by the NCIP <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u>, must be submitted during Post-Qualification;"</p> <p>"(n) If applicable, the Water Rights Permit/s issued by the National Water Resources Board (NWRB) for the Nominated Plant, or application/s for the Water Rights Permit/s before the NWRB, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Water Rights Permit issued by the NWRB <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u>, must be submitted during Post-Qualification;"</p> <p>Consistent with the above suggestions, we likewise suggest that these changes be reflected in Annex TP-1, as follows:</p> <p>"9. The Renewable Energy Contract/s for the Nominated Plant executed with the DOE; or an application for Renewable Energy Contract/s pending before the DOE, provided that if</p>	

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			Annex TP-1 (10) / Page 94	the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Renewable Energy Contract/s <u>by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized,</u> must be submitted during Post-Qualification;”	
			Annex TP-1 (11) / Page 94	“10. The Environmental Compliance Certificate/s (ECC) issued by the Department of Environment and Natural Resources (DENR) for the Nominated Plant, or application/s for ECC pending before the DENR, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the ECC issued by the DENR <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized,</u> must be submitted during Post-Qualification;”	
			Annex TP-1 (12) / Page 94	“11. The Grid Impact Study/ies (GIS) / System Impact Study/ies (SIS) for the Nominated Plant or, if embedded, Distribution Impact Study (DIS) / Distribution Asset Study (DAS) (which should include amendments, if any), whichever is applicable, issued by NGCP or applicable distribution utility; or application/s for GIS/SIS or DIS/DAS, pending before the NGCP or applicable distribution utility, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the GIS/SIS or DIS/DAS <u>by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized,</u> must be submitted during Post-Qualification;”	
				“12. 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 Plant, or application/s for the CNO and/or FPIC Certificate pending before the NCIP, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the CNO and/or FPIC Certificate/s issued by the NCIP <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under</u>	

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			Annex TP-1 (13) / Page 94	<u>oath and notarized</u> , must be submitted during Post-Qualification;" "13. If applicable, the Water Rights Permit/s issued by the National Water Resources Board (NWRB) for the Nominated Plant, or application/s for the Water Rights Permit/s before the NWRB, provided that if the Bidder's Bid Price is declared as the Best Bid, a certified true copy of the Water Rights Permit issued by the NWRB <u>or by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized</u> , must be submitted during Post-Qualification;"	
20.		Notarized Statement of Financial Capability / IPB	Section 3.1.5 / Page 27	Please confirm that the Notarized Statement of Financial Capability can be executed by the Bidder's Ultimate Parent. In addition, please confirm that the Bidder should only submit the audited financial statements ("AFS") for the last three (3) years of its direct shareholders representing the Controlling Interest, Affiliates or Ultimate Parent, if the Bidder is using such entity's credentials/qualifications for purpose of its bid.	Yes, as provided in the Bid Requirements, "the Bidder or any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent [s]" financial documents may be submitted.
21.		Details of the Project Cost and Proposed Financing Plant / IPB	Section 3.1.6 and Annex QD-9B / Pages 28 and 89	Please confirm that the requirements under Section 3.1.6 (Details of Project Cost and proposed financing plant, with attachments) (a) will no longer apply if the Nominated Plant is already built and has already applied for COC/PAO with the ERC, and (b) in case the requirement for the Testimonial applies, the Bidder can modify paragraph 2 of Annex QD-9B to reflect its circumstances, e.g. where the Debt Provider has already provided funding to the Bidder/shareholder/Ultimate Parent, as opposed to the current drafting which contemplates that financing shall only be provided in the case that the Bidder is declared as the Winning Power Supplier under this CSP.	The requirements will still apply if the Nominated Plant is not yet in commercial operation (e.g. if the COC/PAO has not yet been issued by the ERC) to validate the financial capacity of the bidder, thus, item (b.) of the query will apply and the said proposal will be allowed – "the Bidder can modify paragraph 2 of Annex QD-9B to reflect its circumstances, e.g. where the Debt Provider has already provided funding to the Bidder/shareholder/Ultimate Parent."
22.		Details of the Project's execution / IPB	Section 3.2 (p) / Page 30	We suggest that items (b) to (o) likewise not apply if the Nominated Plant has pre-filed or filed its application for the issuance of the COC/PAO with the ERC. In such instances, the plant has already been built or is close to completion. Thus, we suggest the revision of Section 3.2 (p) as follows:	We are not amenable to the proposed change. If the Bidder's Nominated Plant is already built or close to completion or the Bidder has pre-filed or applied for COC/PAO already, then items (b) to (o) of Sec. 3.2 of the IPB should be readily available and can easily be submitted by the Bidder.

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				<p>"1. Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the ERC at the start of the Operations Effective Date of the PSA, as submitted by the Bidder, <u>or proof of pre-filing or filing of such application</u>, which shall be certified as a true copy..."</p>	The intention of requiring the Bidder to submit the COC/PAO, MPA, and TSA is limited only for plants in commercial operation already – not for those that were not issued a COC/PAO by the ERC yet.
23.		Unsatisfactory Performance / IPB	<p>Section 9.66 (a) (i) / Page 57</p> <p>Annex A of Annex QD-6 / Page 74</p>	<p>We suggest that the list of financial lender/s to be disclosed by the Bidder only refer to the financial lender/s of the Bidder or its Affiliates that are both (1) engaged in power generation and (2) counterparties under a power supply or offtake agreement with Meralco and/or any its Affiliates.</p> <p>In relation thereto, we suggest that the relevant Bidder or its Affiliate may be allowed to disclose only the name of its contract with the financial lender (e.g., Loan Agreement) because such contract may not necessarily refer to a specific project.</p>	This will be allowed.
24.		Designation of Authorized Representatives / IPB	Annex QD-1A / Page 61	<p>The designation of up to three (3) representatives would be consistent with the Expression of Interest previously submitted by the Bidder authorizing the appointment of three (3) authorized representatives. In addition, for completeness of the board resolutions necessary to effect the bidding and its results, we suggest the following revision:</p> <p>"RESOLVED, AS IT ITS HERBY RESOLVED, that (the (name of owner <u>or Administrator</u> of the Nominated Power Plant) (the "Company") be, and is hereby authorized to participate in the Bidding to make available the Contract Capacity and supply associated energy, under the terms and conditions set out in the <u>Power Supply Agreement ("PSA")</u> template, to the Manila Electric Company ("Meralco") pursuant to its (indicate CSP requirement as appearing on title/cover page of IPB) ("Project");</p> <p>RESOLVED FURTHER, that in the event the Company is declared as the Winning Power Supplier, the Company commits to fulfill all the Post-Qualification compliances, if deemed necessary by the BAC-PSA, including the execution</p>	This will be allowed.

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				<p>of the Power Supply Agreement <u>PSA</u> with the Manila Electric Company <u>Meralco</u>;</p> <p>RESOLVED FURTHER, that (name/<u>s</u> of <u>up to three (3)</u> representative/<u>s</u>) (<u>is/are</u>) hereby appointed as the authorized representative(<u>/s</u>) of the Company during the bidding, <u>(with any one [number] of them being)</u> authorized to execute, sign, submit, <u>correct, modify,</u> and receive documents for, <u>participate in all stages of the bidding until its termination for,</u> and otherwise act in the name of, the Company;</p> <p><u>RESOLVED, FURTHER, to appoint any (number) of (names of representatives) as the authorized representatives of the Company authorized to (singly or jointly) execute the PSA with MERALCO, should the Company be declared as the winning bidder, and such other protocols, and all other relevant documents as may be necessary to give effect to the foregoing authority;</u></p> <p><u>RESOLVED, FURTHER, to authorize (names of representatives) to file the application with the Energy Regulatory Commission on behalf of the Company, with any (number) of them acting (singly or jointly) being authorized to sign any and all documents, certifications, verifications, and papers in relation to the foregoing, and to do all acts in relation to the foregoing from the filing thereof until final resolution and termination of the same;</u></p> <p><u>RESOLVED, FURTHER, to authorize (any [number] of the Corporation’s lawyers, including but not limited to [names of lawyers], or any of the duly appointed internal or external counsels), to personally appear for it and in its name, place and stead, to represent the Company, sign and execute such pleadings, attend or appear in all hearings, conferences, and proceedings and perform such other acts in furtherance of the</u></p>	

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				<p><u>foregoing authority until final resolution of the application;</u></p> <p><u>RESOLVED, FURTHER, to authorize any (number) of (names of representatives), acting (singly/jointly), to delegate the same power and authority to any other employee or authorized representative of the Company as their alternate; and</u></p> <p>RESOLVED FINALLY, that any and all acts done or performed by (name<u>/s</u> of representative<u>/s</u>) under and by virtue of this resolution be, as they are hereby, confirmed and ratified."</p>	
25.		Company Information / IPB	Annex QD-2 Section 2 / Page 65	<p>Please confirm that the phrase "[f]or entities listed on the Philippine Stock Exchange" in Section 2 refers to Bidders who are listed in the Philippine Stock Exchange.</p> <p>For the Beneficial Owners, we suggest that this requirement be deleted as the identity of the Beneficial Owners is not necessary for the Bidder to participate in the bidding and fulfill its obligations in case it is declared as the Winning Power Supplier. In addition, in case the Bidder has an Ultimate Parent that is listed in the Philippine Stock Exchange, the Bidder has no control over who buys shares in the open market. Lastly, the list of beneficial owners, while submitted with the Securities and Exchange Commission ("SEC") in the General Information Sheets, such list is not publicly available due to confidentiality and data privacy concerns. According to the SEC's FAQs on Beneficial Ownership, the SEC will not even disclose such information unless there is a request coursed through competent authorities or a court of competent jurisdiction.</p>	<p>Yes, this understanding is correct.</p> <p>We are not amenable to the proposed change, the Beneficial Owners should be indicated for proper legal due diligence of the BAC-PSA in an open and competitive public bidding.</p>
26.		Transfer or assignment / IPB and Bid Requirements	Section 2.2 (b) / Page 11 Bid Requirements /Page 3	<p>Transfer or assignment by the entity that submitted the Expression of Interest, etc. is only allowed when it is in favor of a juridical entity in which Bidder is a direct shareholder with Controlling interest. To provide more flexibility to Bidders, we suggest that transfer or assignment be also allowed to entities which are Affiliates of the Bidder.</p>	<p>Yes, this will be allowed. An amendment to Invitation to Bid, Bid Requirements and Sec. 2.2 (b) of the IPB will be made, to wit:</p> <p>" xxx xxx xxx Transfer or assignment by, or purchase/investment/acquisition of rights and interest in, an entity that submitted the Expression of Interest,</p>

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					<p>Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy may only be exercised once on or before 4:00 P.M. of 10 July 2024 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 <u>or in favor of an Affiliate, or under similar Control of the same Ultimate Parent</u>, (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.</p> <p>xxx xxx xxx"</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
27.		Reserve Price / IPB	Introduction / Section 2.2 / Page 10	<p>The IPB states that, "The Interested Bidder's Headline Rate, as inputted by the Interested Bidder to and computed by the Financial Evaluation Workbook, should be less than or equal to the Reserve Price for the Headline Rate."</p> <p>May we ask what the basis would be for the determination of the Reserve Price?</p>	The Reserve Price is based on the MERALCO's evaluation of the average cost of new entrant power plants based on latest available information and taking into consideration different fuel types and plant technology.
28.		Confidentiality / IPB	Section 2.6 / Page 17	<p>We suggest that the BAC-PSA's obligation to keep any information submitted by a Bidder confidential be extended <u>until two (2) years after the termination or expiry of the PSA</u>, consistent with the confidentiality clause in the PSA. This is because there are technical documents (i.e., plant information/diagrams/land documents) which Bidders may submit that are confidential and are considered proprietary in nature and which may be unduly used by competitors. Hence, these should be treated as confidential.</p>	We are not amenable to the proposed change. This particular Confidentiality provision of the IPB is consistent with the revised Implementing Rules and Regulations of RA No. 9184 (An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for other Purposes). The confidentiality clause, as per the said IRR, is stated in a general sense and does not provide for a specific period for confidentiality. Even the National Privacy Commission, in its Advisory Opinion No. 2021-006 regarding procurement-related documents (which would contain

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					<p>personal information), does not require a specific period of confidentiality. Thus, the period for keeping of bid documents confidential is left to the discretion of the procuring entity.</p> <p>By participating in the bidding, the bidders should understand that there is a reasonable expectation that their Bid Submissions may not be kept in strict confidence, to adhere to the mandate of conducting CSPs in an open and transparent manner. Most submissions required from Bidders are publicly-available information and/or information that can be culled from public records, or submissions to, or documents filed with, competent authorities. Should a Confidential Information however constitute a trade secret requiring longer period of protection, the Bidder may request the BAC-PSA to extend the confidentiality period; but said request shall be decided on a case-to-case basis, at the sole and exclusive discretion of the BAC-PSA, and the Bidder has to specifically point which among its Document Submissions constitute trade secret, and prove that the same is indeed a trade secret that requires to be kept in confidence for a longer period than what is provided in the IPB.</p> <p>At this point, it is worthy to point out that Meralco and the BAC-PSA maintains that it has always recognized, respected and secured the confidentiality treatment of a power supplier's financial proposal/model/structure (i.e. contents of Envelope 3-Bid Price & Bid Security and any Fuel Supply Agreement) such that even if it is directed or asked to participate in an inquiry, case, or proceeding conducted by a court or governmental agency of the Philippines, Meralco makes the appropriate motion or request for confidential treatment of the said documents upon submission to the said court or governmental agency.</p>
29.		Certification Capital Recovery Fee	Section 3.1.1 and Annex QD-1B / Page 24 and 64	We suggest that the "Sworn Undertaking that the Bid Price's Capital Recovery Fee" is not higher than the ERC-approved rate/s in its agreements with other offtakers for the same nominated Plant", using the form in Annex QD-1B be no longer required because the Bidder's agreements with other offtakers for the same Nominated Plant will	We are not amenable to the proposed change. This Sworn Undertaking was a new requirement recently adopted by MERALCO and its BAC-PSA to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta's in two recent CSPs of MERALCO. Through a letter,

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				<p>not necessarily have the same parameters or commercial considerations as the present bidding (e.g., private supply agreement not subject to ERC approval, different supply type, as-generated as opposed to bids that require firming of capacity, physical instead of financial contract, etc.).</p> <p>In the alternative, we suggest the following revisions in Section 3.1.1 –</p> <p>“3.1.1 Application to Qualify and Participate in the Bidding... and (ii) Sworn Undertaking that the Bid Price’s Capital Recovery Fee is not higher than the ERC-approved rate/s in its agreements with other offtakers for the same Nominated Plant [with the same contract parameters], using the form in Annex QD-1B;”</p> <p>And in Annex QD-1B –</p> <p>“2. Pursuant to Section 3.1.1 of the Instructions to Prospective Bidders for the CSP, the COMPANY shall not offer a Capital Recovery Fee higher than the Energy Regulatory Commission-approved rate/s in the COMPANY’s agreements with off-takers for the same Nominated Plant [with the same contract parameters] as of date.”</p>	<p>the ERC Chairperson recommended to MERALCO that it compare with or otherwise propose to cap the Bidder’s Capital Recovery Fees charged to other offtakers, thus, this “Sworn Undertaking” is MERALCO’s compliance to the ERC Chairperson’s comment.</p> <p>Moreover, during the ERC hearings for the applications for approval of the winning PSAs of the said CSPs, the ERC required MERALCO to submit the copies of the said “Sworn Undertaking that the Bid Price’s Capital Recovery Fee” as submitted by the Winning Power Supplier during the CSP.</p>
30.		Attestation on Conflict of Interest / IPB	Section 3.1.2 (h) and Annex QD-4 / Page 25 and 69	<p>We suggest that the conflict of interest be explicitly limited to those existing as of the date of execution of the attestation given that Bidder’s cannot foresee whether it will have future conflict of interest. In any case, there is already an undertaking to disclose future conflict of interest. In addition, the import of the word “potential” conflict is not clear.</p> <p>Thus, we suggest the revision of Section 3.1.2 (h) as follows:</p> <p>“(h) a notarized attestation of no existing, potential or future conflict of interest...”</p> <p>We also suggest the revision of paragraph 2 of Annex QD-4 as follows:</p>	<p>We are not amenable to the proposed change.</p> <p>This requirement is an express requirement under Annex1, item c. (vi.) of ERC CSP Guidelines’ Eligibility Requirements states that the Bidder shall submit the following: “xxx (vi) Sworn Attestation of No Conflict of Interest – The Bidder must disclose detailed information regarding any existing, potential, or future conflict of interest that a Bidder may have with the BAC or Joint BAC.”</p>

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				<p>"2. xxx xxx xxx</p> <p><u>As of date,</u> It does not have any existing, potential, or future conflict of interest with MERALCO's Bids and Awards Committee.. such that no existing, potential or future member....</p> <p>If, during the course of the CSP, the COMPANY has, or learns of, any <u>existing, potential, or future</u> conflict of interest...</p> <p>xxx xxx xxx"</p> <p>We also suggest that the last paragraph be optional (i.e., it can be deleted) if there is no conflict of interest.</p>	
31.		Fuel Supply Agreement / IPB	Section 3.1.4 (g) / Page 27	<p>We suggest that we be allowed to submit only the first page and the signature page of the Reference Plant's valid Fuel Supply Agreement given the confidential nature of such Fuel Supply Agreement.</p>	<p>The whole document must be submitted to prove that there is really an actual Fuel Supply Agreement, however, the Bidder may redact the provisions it deems confidential in nature, except for the provisions that would allow the BAC-PSA and its TWG to give information for a reasonable mind to form a conclusion as to the contents, validity and existence of the said Agreement (e.g. signatures and acknowledgment portion).</p>
32.		Bid Security	Section 3.3 (b) / Page 32	<p>The Bid Security amount can be used to calculate the bid price of the Bidder. To avoid leaks in the bid price when processing the Bid Security with banks, we suggest that the Bidders be given discretion to increase its Bid Security beyond the required amount as follows:</p> <p>"(b) Bid Security, equivalent to <u>at least the</u> three (3)-month contract cost of the proposed PSA..."</p> <p>In addition, under Resolution No. 16, Series of 2023, Appendix B, Section 10, only Bids submitted with a Bid Security in an amount less than the required amount will be rejected outright and returned to the Bidder. This means that the Bidder should not be disqualified if it opts to post a Bid Security higher than the requirement.</p>	<p>The proposal is well noted.</p> <p>As stated in the Financial Evaluation Workbook's Bid Security Worksheet, "the submitted Bid Security (and later on the Performance Bond) must be <u>at least equal to the amount</u> [shown therein]."</p> <p>Thus, this confirms that the Bidder has the discretion to submit a higher Bid Security amount (than the one shown/calculated by the Financial Evaluation Workbook's Bid Security Worksheet) if it is concerned in divulging the calculation of its actual bid price.</p>

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33.		Independent Engineer	Section 4.4.3 / page 42	May we know how and when the Independent Engineer will evaluate and determine proper compliance with the technical qualifications of the Reference Plant and the Comparable Plant.	The Independent Engineer shall assist the BAC-PSA and TWG during the Pre- and Post-Qualification Evaluation of the Bidder/s Document Submissions' compliance with the TOR, Bid Requirements and IPB.
34.		Application to Qualify and Participate in the Bidding / IPB	Annex QD-1 / Page 59	<p>May we suggest the revision of Annex QD-1 to allow only the rejection of the Documents Submissions for failure to comply with the Instructions to Prospective Bidders, as follows:</p> <p>"4. (Name of Bidder) acknowledges the right of the BAC-PSA to reject its Document Submissions for failure to comply with the Instructions to Prospective Bidders without assigning any reason and to cancel the Bidding at any time, without incurring any liability to the (name of Bidder)."</p> <p>The rejection of any document submitted by a Bidder should only be based on the failure of the Bidder to comply with the requirements of the IPB.</p>	We are not amenable to the proposed change. Notwithstanding, based on all previous CSPs conducted by MERALCO, if there was an instance of rejection made by the BAC-PSA of the Bidder's Document Submissions, a formal written notice citing the reason and discussion of findings was provided to the affected Bidder.
35.		Sworn Attestation of No Conflict of Interest / IPB	Annex QD-4 / Page 69	We request for the names of Meralco's BAC PSA, its TWG, and its Secretariat so the Bidder can properly execute Annex QD-4.	<p>This is noted.</p> <p>The list of members of the BAC-PSA, TWG and Secretariat will be sent to the Interested Bidders in this Bidding.</p>
36.		Certification of Absence of Unsatisfactory Performance Record / IPB	Annex QD-6 / Page 72	<p>We suggest that the Affiliates engaged in power generation mentioned in Annex QD-6 item 1 refer to the Bidder's Affiliates in the Philippines only, which are part of the Generation Sector as defined in the Electric Power Industry and Reform Act and which are currently commercially operating.</p> <p>We also suggest the following revision in paragraph 3:</p> <p>"3. As of date, (Insert name of Bidder) and/or any of its Affiliates engaged in power generation do not have any Outstanding Dispute or unsettled Dispute..."</p>	<p>The request and proposal will be allowed: Bidder's Affiliates engaged in power generation located in the Philippines only which are part of the Generation Sector as defined in the EPIRA and which are currently commercially operating.</p> <p>The proposed change in paragraph 3 is approved.</p>
37.		Reduction in Contract Capacity / ITB	Page 5	In relation to the reduction of contract capacity, we suggest the following:	The implementing rules with regard to the possible reduction in contract capacity due to reduction in demand shall be part

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				<ol style="list-style-type: none"> Parameters on how and when the reduction will be take place (e.g., what are the qualifications for the reduction, thresholds, etc.); Proof/supporting documents be required for the invocation of reduction in contract capacity; and Reduction be pro-rated depending on the Offered Contract Capacity of each winning Bidder. 	of the Operating Protocol that will be agreed upon by Meralco and the Power Supplier prior to the implementation of the PSA.
38.		ITB	Operations Effective Date	<p>Since the last 150MW capacity will only commence on February 26, 2026, will it cover an entire 10-year period or will it end simultaneously with the first 350mw which may commence on February 26, 2025 and ends on February 25, 2034?</p>	<p>The contract duration shall be aligned with the DOE-approved 2024 PSPP of Meralco and with the Certificate of Conformity ("COC") of this CSP. As stated in the 2024 Meralco PSPP and COC of this CSP, the contract durations are as follows:</p> <p>350 MW - 26 Feb. 2025 to 25 Feb. 2035 150 MW - 26 Feb. 2026 to 25 Feb. 2036</p> <p>Sec. 3, Art. V of the ERC CSP Guidelines state that: "The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs," which is the case for this Bidding, and that the term "shall be reckoned from commencement of supply."</p> <p>Thus, the 10-year contract period will start from the implementation of the PSA. Sec. 3.2.2 of the PSA discusses how the power plant will achieve OED and start the first Billing Period (and in turn, start the count of the first Contract Year). see Sec. 1.1, pp. 2 and 4 of the PSA for the definitions of Billing Period and Contract Year vis-à-vis Sec. 2.2 (Term of Agreement).</p> <p>In addition, the evaluation of the winning bidder's Headline Rate for this 500 MW CSP factors in a whole 10-year Term of the power supplier's offer, starting from the actual OED/1st Contract Year and up to the 10th Contract Year.</p>

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39.		ITB	Required Contract Period	Why the contract period is for 10 years only ? Why not maximize the 20 years allowed under the ERC Resolution No. 16, series of 2023 ? While in the Long term CSPs recently conducted by MERALCO for conventional power supply were based on a 15-year contract term.	The TOR's required contract period / duration was aligned with the DOE-approved 2024 PSPP of Meralco. Moreover, Sec. 3, Art. V of the ERC CSP Guidelines state that: <i>"The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs,"</i> which is the case at hand for this Bidding.
40.		ITB	Guaranteed Renewable Energy Certificates	Since the power supply from Renewable Energy Plant is considered intermittent and there might be an interval that could not be supplied by the nominated RE plants, can MERALCO consider a lower guaranteed REC and should be reckoned in annual basis to cover the seasonality of the RE plants.	We are not amenable to the proposed change. The Guaranteed RECs of 45% PCF with respect to the contract capacity, reckoned annually, was determined so that MERALCO will be compliant to its RPS requirements. Lowering the value of this Guaranteed RECs will expose MERALCO to possible non-compliance to its RPS obligations.
41.		ITB	Payment Modalities	Under the ITB, it provides that the Supplier shall propose and extend a Prompt Payment Discount, is this mandatory? Will it be considered in the calculation of headline rate, evaluation of the bid and in ranking the bid offers?	It will not be considered in the calculation of the Headline Rate, evaluation of the bid, and in ranking the bid offers.
42.		ITB	Prompt Payment Discount	Please note that Prompt Payment Discount is not in the PSA template.	This is noted. A provision on Prompt Payment Discount will be included in the PSA template as an addition under Section 9.2.1: "Power Supplier shall extend [] percent ([]%) discount based on the Contract Price within MEOT to Meralco as prompt payment if (i) payment is made within [] Days from receipt of Power Supplier's billing, and (ii) Meralco is up to date with all its payment obligations under this Agreement." Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.
43.		Instructions to Prospective Bidders ("IPB")	Sections 3.1 and 3.2 Annex TP-1 attachment (4)	Kindly confirm that if the Bidder is an Administrator under an IPP Administration ("IPPA") Agreement with the Power Sector Assets and Liabilities Management Corporation (PSALM), the submission of the required or relevant permits, accreditations, certificates, agreements and/or documents of similar nature under the name of the Independent Power Producer ("IPP") or owner-operator of the	Yes, this is correct.

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				Nominated Plant as part of the Qualification Documents shall be deemed compliant under the IPB.	
44.		IPB	Section 2.2 (e) Page 14	Please confirm if Winning Bidder/s opt not to increase its Offered Contract Capacity in the event that total Offered Contract Capacities are below the required Contract Capacity, can Bidder with the Next Best Bid offer instead?	<p>Sec. 5.1 of the IPB explained this summary scenario further, to wit:</p> <p>"Should the Qualified Bidder/s with the Best Bid/s' total Offered Contract Capacities fall below the required Contract Capacity (i.e., less than 500 MW), the Qualified Bidder/s with the Best Bid/s have an option to increase their Offered Contract Capacity, provided that the required Contract Capacity (i.e., 500 MW) under this Bidding shall not be exceeded and such option shall be exercised immediately after determination of Best Bid/s to give the BAC-PSA ample opportunity to evaluate the said increase of Contract Capacity during the period for Post-Qualification. This option to increase the Contract Capacity will not affect or change the Winning Bidder/s' Proposed Tariff and is subject to payment of the additional proportionate Participation Fee under this Bidding.</p> <p>In case several Qualified Bidders with the Best Bids exercised the option to increase their Offered Contract Capacity such that the total will go beyond the required Contract Capacity (i.e., more than 500 MW), the Qualified Bidder with the Best Bid having the lowest rank/lowest Headline Rate will be prioritized. If the said Bidder's exercise of the option to increase its Offered Contract Capacity fails to fill up the required Contract Capacity, a similar procedure may be repeated by the BAC-PSA for the Qualified Bidder with the Best Bid having the next lowest rank/next lowest Headline Rate, and so on until there is a Qualified Bidder with the Best Bid that wishes to exercise the option to increase its Offered Contract Capacity and the required Contract Capacity is filled up."</p>
45.		IPB	Section 3.1.1 in relation to Annex QD-1B/Page 24	<p>Please confirm underlined word below:</p> <p>"Application to Qualify and Participate in the Bidding, using the form in Annex QD-1, with attached (i) Authority to Participate in the</p>	Yes, these are allowed pursuant to Annex B of Bid Bulletin No. 1.

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				<p>Bidding and Designation of Authorized Representative using the form in Annex QD-1A, and (ii) Sworn Undertaking that the Bid Price's Capital Recovery Fee is not higher than the <i>latest</i> ERC-approved rate/s in its agreements with other offtakers for the same Nominated Plant, using the from in Annex QD-1B; xxx"</p> <p>Please confirm that this insertion is acceptable and that in view of this, the applicable TOR provisions and Annex QD 1-B should also reflect this insertion:</p> <p>"1. Pursuant to Section 3.1.1 of the Instructions to Prospective Bidders for the CSP, the COMPANY shall not offer a Capital Recovery Fee higher than the <i>latest</i> Energy Regulatory Commission-approved rate/s in the COMPANY's agreements with other off-takers for the same Nominated Plant."</p>	
46.		IPB	Section 3.1.2 (a)/ page 24	<p>The requirement of declaring the relevant capabilities in the construction, operation, and maintenance of the Bidder on the executive summary.</p> <p>If the Bidder is an IPPA Administrator, please clarify if the same are required given that the IPPA Administrator is not involved in the construction, operation, and maintenance of the power plant it administers.</p>	Yes, this will still be required as this is being asked by the ERC to be submitted once the PSA is submitted to it for evaluation and/or approval.
47.		IPB	Section 3.1.4 / Page No. 25	<p>Is the requirement for a Reference Plant applicable if the Nominated Plant is already operating?</p> <p>If yes, does it need to be a renewable plant?</p>	Yes, it is still required. The Reference Plant is to prove the Bidder's technical capability and qualification, and the Bidder can submit the Nominated Plant (which should be a Renewable Energy Plant) as the Reference Plant, if it chooses to do so - for as long as the Plant meets the applicable requirements for the Reference Plant (e.g. 50% PFC, etc.).
48.		IPB	Section 3.1.4 / Page No. 25	<p>IPB provides: "(b) Proof that, as a general rule, the Bidder or any of its direct shareholders with Controlling interest, Affiliate or Ultimate Parent, has, in the reasonable opinion of the BAC-PSA, satisfactorily undertaken the development, construction, and/or operation or maintenance of, as a general rule, a single power plant of at least 100 MW (AC, net) installed capacity (firm, dispatchable and has attained a simple monthly average of at least 50% plant capacity factor</p>	The Reference Plant can be any type of technology as long as it was developed, constructed, and/or operated or maintained by the Bidder or any of its direct shareholders with Controlling interest, Affiliate or Ultimate Parent.

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				<p>("PCF") over a 3-month consecutive period of operations) ("Reference Plant"), whether in the Philippines or elsewhere;"</p> <p>Question: Please clarify if it is required that the Reference Plant be an RE plant or similar technology? Are coal-fired power plants acceptable?</p>	
49.		IPB Reference Plant	Section 3.1.4 / Page No. 26	For Power Plants with Multiple Units, can we select one specific unit within the Power Station for the computation of the PCF requirement?	Yes, as long as it is at least 100 MW (AC, net)
50.		IPB	3.1.4 Page 27	Please confirm that Reference Plant can be of any technology such as coal as Section 3.1.4 requires the submission of a Fuel Supply Agreement of the Reference Plant.	Yes.
51.		IPB	3.1.6 Page 28	SRHI is currently the administrator of the output of the San Roque Hydropower Plant under an Independent Power Producer Agreement with the Power Sector Assets and Liabilities Management Corp. since 2003 so Project Cost is not applicable. Can we do away with the requirements under Section 3.1.6 specifically Details of the Project Cost, Commitment Letter and Testimonial??	Yes, these are allowed pursuant to Annex B of Bid Bulletin No. 1.
52.		IPB Qualification Documents	Section 3.1.2(e)	<p>IPB provides: "a diagram of the corporate/partnership structure of the Interested Bidder with an indication of which entity has Controlling interest over, are the Affiliates engaged in the power industry, or is the Ultimate Parent of the Interested Bidder, which shall be certified by the corporate secretary/assistant corporate secretary as a true and correct depiction of the corporate structure of the Interested Bidder, which certification must be under oath and notarized;"</p> <p>Question: Please clarify that Affiliates engaged in the power industry only refer to those engaged in generation, supply or distribution of electricity as defined in the EPIRA Law.</p>	Yes, this is correct.
53.		IPB	Section 3.2/Page 28	<p>We propose that Bidders be allowed to offer as Nominated Plant such power plant the output of which is being administered by the Bidder as an Independent Power Producer Administrator. If allowed, we suggest that Section 3.2 be revised as follows:</p> <p>"The Interested Bidder must identify the proposed power plant/s that it or its direct shareholder representing Controlling interest is the developer of, owner of, administrator of, and Controls, and has</p>	Yes, this is already reflected, see Annex B of Bid Bulletin No. 1.

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				sufficient authority to enter into the offtake agreement with Meralco, which must be capable of supplying the Offered Contract Capacity to Meralco for the Required Contract Period, <i>provided</i> that it must be a mid-merit renewable energy source power plant (" Nominated Plant ")."	
54.		IPB	Section 3.4.1. (c)/Page 36	<p>IPB provides: "(c) If the same document is a required attachment in more than one Annex, the original set must contain at least one original of the document. A photocopy of the same document may be attached to the subsequent Annex(es) and will be considered as an original for this purpose."</p> <p>Please clarify that if the original is in Envelope 1, a photocopy of the same document may be used in Envelope 2.</p>	Yes, as long as the photocopy is accompanied by a write-up guiding the BAC-PSA and its TWG for ease of reference where to find the original copy among the Bidder's Document Submissions.
55.		IPB	Annex QD-1A/Page 61	<p>Can we revise QD - 1A to consider Bidders who are Independent Power Producer Administrators?</p> <p>We propose to revise as follows:</p> <p>"2. I am the duly elected (<i>corporate secretary</i>/assistant corporate secretary) of (<i>name of owner of <u>or administrator of the capacity of</u> the Nominated Plant</i>) (the "Company"), a (<i>partnership/corporation</i>) organized and existing under and by virtue of the laws of the Republic of the Philippines."</p> <p>"3. The Company has been (established to develop, own, operate, <u>manage the capacity of</u>) a (specify details of the Nominated Plant) which started commercial operations on (specify date, as applicable)."</p> <p>xxx</p> <p>RESOLVED, AS IT IS HEREBY RESOLVED, that the (name of owner <u>or administrator of the capacity as IPP Administrator</u> of the Nominated Plant) (the "Company") be, and is hereby, authorized to participate in the Bidding to make available the Contract Capacity and supply associated energy, under the terms and conditions set out in the PSA template, to the Manila Electric Company pursuant to its</p>	Yes, these are allowed pursuant to Annex B of Bid Bulletin No. 1.

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INSTRUCTIONS TO PROSPECTIVE BIDDERS / BIDDING DOCUMENTS-RELATED QUERIES/COMMENTS															
		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA’s RESPONSE										
				(indicate CSP requirement as appearing on title/cover page of IPB) (“Project”); xxx”											
56.		IPB	Annex QD-3/Page 67-68	Please confirm if numbering order 4, 5, 6 should be 1, 2, 3 instead	Yes, this typographical correction will be allowed.										
57.		IPB	Annex TP-1 item 1/ Page 90	<p>Can we revise TP-1 to consider Bidders who are Independent Power Producer Administrators?</p> <p>We propose to revise as follows: “1. Proof that the Bidder or its direct shareholder representing Controlling interest is the developer of, owner of, <u>or manages the capacity of</u>, and Controls, the Nominated Plant and has sufficient authority to enter into the offtake agreement with Meralco;”</p> <p>For this requirement can SRHI submit a certification on the existence of its Independent Power Producer Administration Agreement with PSALM as we cannot provide a copy of said agreement due to confidentiality thereof.</p>	Yes, these are allowed pursuant to Annex B of Bid Bulletin No. 1.										
58.		IPB	Annex TP-1/ Page 96	<p>Please clarify that since this bidding will involve power plants that are already in operation, the items highlighted below in Annex TP-1 are not applicable and may be deleted.</p> <table><tr><td>Power Supplier Name</td><td></td></tr><tr><td>Offered Contract Capacity, MW</td><td></td></tr><tr><td>Name of Nominated Plant</td><td></td></tr><tr><td>Location of Nominated Plant</td><td></td></tr><tr><td>Description of Nominated Plant - Fuel source/Plant technology - Number of Units - Gross capacity per Unit, MW - Net capacity per Unit, MW - Proposed Delivery Point</td><td></td></tr></table>	Power Supplier Name		Offered Contract Capacity, MW		Name of Nominated Plant		Location of Nominated Plant		Description of Nominated Plant - Fuel source/Plant technology - Number of Units - Gross capacity per Unit, MW - Net capacity per Unit, MW - Proposed Delivery Point		No need to delete since the Bidder can indicate that its Nominated Plant is already in operation as its status.
Power Supplier Name															
Offered Contract Capacity, MW															
Name of Nominated Plant															
Location of Nominated Plant															
Description of Nominated Plant - Fuel source/Plant technology - Number of Units - Gross capacity per Unit, MW - Net capacity per Unit, MW - Proposed Delivery Point															

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				<table><tr><td>Gross Capacity of Nominated Plant, MW</td><td></td></tr><tr><td>Net Capacity of Nominated Plant, MW</td><td></td></tr><tr><td>Current Status of Nominated Plant and Proposed Delivery Point</td><td></td></tr></table>	Gross Capacity of Nominated Plant, MW		Net Capacity of Nominated Plant, MW		Current Status of Nominated Plant and Proposed Delivery Point		
Gross Capacity of Nominated Plant, MW											
Net Capacity of Nominated Plant, MW											
Current Status of Nominated Plant and Proposed Delivery Point											
59.		IPB	Schedule 1	<p>We propose to include Bank of China (Hongkong) Limited-Manila Branch in the list of Allowed Banks and be one of the acceptable issuing banks for the Bid Security and the Performance Security.</p> <p>Bank of China (Hongkong) Limited is China’s most international and diversified bank with operations in 61 countries and regions around the world.¹ In 2023, Bank of China ranked 4th in terms of aggregate assets according to Global Finance’s World’s Safest Banks 2023.² In the Philippines, Bank of China (Hongkong) Limited-Manila Branch has a full commercial banking license and has been in operations since 2002.³</p> <p>Bank of China (Hongkong) Limited was affirmed with long-term credit ratings of ‘A+’ by Standard & Poor’s, ‘Aa3’ by Moody’s Investors Service, and ‘A’ by Fitch Ratings.⁴</p>	<p>As consulted with the DU, this is acceptable to MERALCO, provided item 2 of ANNEX BID-2 of the IPB shall be amended to read as follows:</p> <p>“ANNEX BID-2</p> <p><i>[Letterhead of Issuing Bank]</i></p> <p>BID SECURITY</p> <p>xxx</p> <p>"2. Subject to the other provisions of this Letter of Credit, Meralco is hereby irrevocably authorized to make one drawing for the entire Stated Amount under this Letter of Credit by presenting to the Issuer, at its address set forth above <u>(insert Branch Name and Address, which should be within Metro Manila)</u>, a demand for payment from Meralco in substantially the form attached as Annex A, duly completed, and is in the form of a letter on Meralco’s letterhead signed by any of its authorized signatories.</p> <p>xxx xxx xxx</p>						

¹ <https://www.bankofchina.com.ph/en-ph/top/about-us.html> last accessed on 4 January 2024.

² <https://gfmag.com/banking/worlds-biggest-banks-2023/> last accessed on 4 January 2024.

³ <https://www.bankofchina.com.ph/en-ph/top/about-us.html> last accessed on 4 January 2024.

⁴ <https://www.bochk.com/en/aboutus/ir/rating/credit.html> last accessed on 4 January 2024.

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					<p>SCHEDULE 1</p> <p>LIST OF ALLOWED BANKS</p> <p>xxx Bank of Commerce Bank of China (Hongkong) Limited Bank of the Philippine Islands xxx”</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
60.		Consortium / IPB	Section 3 / 3.1.2 (f) / Pages 24-25	<p>Is it permitted that the Power Supplier + other plants form an <i>unincorporated consortium</i> of multiple Power Suppliers?</p> <p>If yes, will the PSA be a multi-party PSA?</p> <p><u>If yes:</u></p> <ul style="list-style-type: none"> a. will each of the plants/consortium members be able to bill Meralco directly? b. shall Meralco pay those plants directly? c. shall each of the nominated plants BCQ to Meralco directly? <p><u>If no,</u> is the intent for there to be multiple bilateral PSAs between each of the consortium members/plants and Meralco? under which each shall be able to bill Meralco directly and Meralco shall pay those plants directly?</p>	<p>Yes, a Bidder may form an unincorporated consortium for the purpose of this Bidding. (see p.1, Bid Requirements and Sec. 3.1.2. (f) of the IPB).</p> <p>If the Bidder wishes to avail of this option, the newly formed unincorporated JV or consortium should submit an updated set of Expression of Interest, Confidentiality Undertaking and Data Privacy consent form to the BAC-PSA Secretariat.</p> <p>Moreover, as relayed by the MERALCO DU, the intention and rationale of this provision is that MERALCO will only be dealing with one (1) entity after the CSP/upon execution of the PSA, for operational ease of managing its bilateral contracts.</p> <p>Thus, to address the valid concern raised by the Bidder in terms of billing, payment and BCQ nominations, should it wish to form an unincorporated JV or consortium for the purpose of this Bidding, it will be able to do so but if such unincorporated JV or consortium, if deemed a Best Bid, will be required to incorporate as an entity within the period for Post-Qualification (i.e. within 7 days from issuance of Notification of Best Bid) so that the BAC-PSA will recommend the incorporated entity already to the DU Board for issuance of Notice of Award. This will also be easier for the</p>

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					<p>parties to comply with the pre-filing and filing requirements of the resulting PSA with the ERC.</p> <p>As such, page 1 of the Bid Requirements and Sec. 3.1.2 (f) and Annex QD-2 (f) of the IPB will be amended to read as follows:</p> <p>“(f) if the Interested Bidder formed a joint venture or consortium for the purpose of this Bidding, the Interested Bidders should submit the joint venture or consortium agreement that provides evidence that their rights and obligations, including liabilities in this Bidding and the resulting 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., if each joint venture or consortium member offers a different Nominated 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. Moreover, each party to the joint venture or consortium must separately submit an undertaking as to its commitment to infuse the required equity contribution to the joint venture or consortium. The submissions should be certified as a true copy by the duly authorized officer of said joint venture/partners/consortium members, in which case, it must be under oath and notarized.</p> <p><u>If the Bidder’s unincorporated joint venture or consortium is a recipient of a Notification of Best Bid, the said Bidder, during the period for Post-Qualification (i.e. within seven [7] days from issuance of the Notification of best Bid), must incorporate its joint venture or consortium and submit to the BAC-PSA a copy of its SEC Certificate of Incorporation/Partnership, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary/assistant corporate secretary, in which case, it must be under oath and notarized;”</u></p>

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					<p>However, if the Bidder/incorporated JV/consortium submits a portfolio of Nominated Plants, each Nominated Plant will have to declare BCQ to MERALCO directly.</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>

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61.		Delivery Point	Article 1 / Section 1.1 / Page 4	We suggest the following revision in Delivery Point for cases when there are several Plants: "Delivery Point means the trading node[/s] of the Plants Power Supplier —registered with the Market Operator, referred to in Appendix A."	We are not amenable to the proposed change. No need to revise the wording in the PSA since "Plant" is defined as referring to all Nominated Plants and Appendix A shows that the trading nodes are specific to all such Nominated Plants of the Power Supplier.
62.		Contract Price / PSA Template	Article 4 / Section 4.2 / page 14	Correction on the footnote. Plant PCF should be at 50% maximum "Contract Price during First Contract Year (VAT exclusive) at sixty percent (60%) fifty (50%) plant capacity factor corresponding to the Contract Capacity."	The typographical error in the footnote for Article 4.2 will be corrected as follows: "Contract Price during First Contract Year (VAT exclusive) at sixty percent (60%) fifty (50%) plant capacity factor corresponding to the Contract Capacity." Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.
63.		Compliance with RPS Rules / PSA Template	Article 4 / Section 4.6.2 / page 15	We suggest that the Guaranteed RECs for the first and last contract years be the pro-rated equivalent for the 45% PCF, in consideration that these contract years are not full-year periods. "Power Supplier shall provide Meralco RECs equivalent to the higher between Guaranteed RECs and volume corresponding to energy nominated by Meralco and declared to WESM by Power Supplier as bilateral contract quantity, reckoned annually, <u>except for the first contract year, which is pro-rated from the fraction of the year from OED until Dec 25 of that same year, and for the last contract year, which is pro-rated from Dec 26 of the calendar year preceding the 10th anniversary of the OED up to the 10th anniversary of the OED.</u> This notwithstanding, RECs shall be monitored and accounted for on a monthly basis. xxx"	We are not amenable with the edit. The current language (i.e., next to the paragraph quoted by Bidder) already captures the pro-rating requested: "For clarity, (i) for the first Contract Year, RECs shall be reckoned from [February 26, 2025] until December 25, 2025; and (ii) for the succeeding Contract 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 expiration or end of the Term)."
64.		Compliance with RPS	Article 4 / Section 4.6.2 / page 15	Suggest updating revision such that the manner for fulling the RECs shall be agreed upon by both parties subject to approval of	We are not amenable to the proposed change. MERALCO is the Mandated Participant required to comply with the RPS rules, thus will be the one prejudiced by any

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		Rules / PSA Template		<p>a protocol.</p> <p>For this purpose, should Power Supplier source its RECs from anywhere other than the Plant for the purpose of complying with its RECs, Meralco has the sole option to the Parties, as may be detailed in a protocol, shall determine the manner in which Power Supplier may fulfill its deficient RECs.</p>	<p>shortfall as a result of the deficient RECs. Therefore, it is only proper that MERALCO should have sole discretion on how Power Suppliers should fulfill its deficient RECs, to ensure that the replacement RECs are still valid by the time Meralco uses it for compliance.</p>
65.		Operation, Maintenance and Repair / PSA Template	Article 6 / Section 6.1.1 / Page 16	<p>Consistent with the acceptance of the concept of administrators, we suggest revision in Section 6.1.1 as follows:</p> <p>“Power Supplier shall at all times during the Term, operate, maintain, administer and <u>/or</u> manage the output...”</p>	<p>Amenable with the edit.</p> <p>Section 6.1.1 will be revised as follows:</p> <p>“Power Supplier shall at all times during the Term, operate, maintain, administer and <u>or</u> manage the output xxx”</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
66.		ERC Approval / PSA Template	Article 12 / Section 12.2.1 / Page	<p>Considering that the Longstop Date is merely a date and it will occur in any case, we suggest the following revision:</p> <p>“12.2.1 <u>Subject to ERC Approval having been received on or prior to the Longstop Date</u> Subject to the non-occurrence of the Longstop Date, upon receipt of the ERC Approval...”</p>	<p>Amenable with the proposed edit.</p> <p>Thus, Section 12.2.1 of the PSA template will be revised as follows:</p> <p>“12.2.1 <u>Subject to ERC Approval having been received on or prior to the Longstop Date</u> Subject to the non-occurrence of the Longstop Date, upon receipt of the ERC Approval...”</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
67.		Bid Security / PSA Template	Article 12 / Section 12.3.6 / Page 26	<p>Considering that the Performance Bond will assure that the Power Supplier can perform its obligations (i.e., that the Plant will be built on time), we suggest that the Performance Bond be returned on the following date:</p> <p>“Within (30) Days after <u>(a)</u> the [Operations Effective Date] <u>or (b) after all the Plants have achieved commercial</u></p>	<p>For greenfield projects, Performance Bond was originally the Performance Security that ensures timely completion of the Plant. But with the effectivity of the ERC CSP Guidelines, it is also required to cover a penalty that the ERC may impose for delayed filing of the relevant PSA application. Given such dual purpose, both reckoning points are important so that the Performance Bond should</p>

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				<u>operations, whichever is earlier</u> , Meralco shall return to Power Supplier the Performance Bond less any amount properly due and owing from Power Supplier to Meralco under this Agreement as of the date of the return."	actually be retained until the later between OED and COD. However, since this is a financial contract, template [originally] provides for retention until [30 days after] OED only.
68.		Insurance / PSA Template	Article 13 / Page 27	We suggest the deletion of the entire Article on Insurance as this seems excessive and unnecessary because the PSA is a financial one and not a physical one. Section 13.3 requiring Meralco's consent for changes in insurances is particularly onerous.	The rationale for the insurance requirements is to ensure that in case of unforeseen, unexpected, and fortuitous event that causes damage to the Power Supplier's Plant and/or machinery/equipment, the Power Supplier's ability to honor its obligations to Meralco under the PSA will not be hampered. The existing insurance provisions will still apply for a financial PSA as Power Supplier will present a specific Nominated Plant. Thus, the language for Section 13.3. will be retained as this clarifies that only changes inconsistent with the requirements of the PSA will require consent from Meralco.
69.		Events of Default and Termination / PSA Template	Article 16 / Section 16.1 / page 33	We would like to request the Power Supplier's Curing Period to be for one hundred-eighty (180) Days , to mirror Meralco's Curing Period in the analogous provisions in Section 16.2.	Amenable with the edit. Article 16.1 will be revised as follows: "xxx xxx xxx If, within ninety one hundred eighty (180) Days after Power Supplier's receipt from Meralco of written notice of Power Supplier Event of Default (the " Curing Period "), such Power Supplier Event of Default has not been remedied by Power Supplier, Meralco may terminate this Agreement and pursue any remedy available to it under this Agreement, at law or in equity." Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.
70.		Events of Default and Termination / PSA Template	Article 16 / Section 16.3.1 and 16.3.2 / pages 34-35	Where the defaulting party, regardless of whether it is the Power Supplier or Meralco, is able to cure its event of default, the PSA Template provides that the defaulting party is liable to true up the non-defaulting party where the non-defaulting party sold to/purchased from the WESM (as applicable). We would like to request that where the non-defaulting made a profit on this sale	We are not amenable with this edit because the curing period is not intended to benefit [what could have been] defaulting party but only keep whole per PSA parameters, such that the Power Supplier cannot earn more or MERALCO pay lower than the Contract Price.

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				<p>to/purchase from WESM (as applicable), that the profit also be paid back to the defaulting party which has since cured its default. This can be settled on a net basis. Thus, we suggest the following revisions:</p> <p>“16.3.1 – ...In such case, and <i>provided</i> that, Power Supplier is able to cure Power Supplier Event of Default prior to the exercise by Meralco of its rights under Section 16.3.3, Power Supplier shall be liable to pay Meralco the difference between the amount Meralco actually paid for such energy and the Contract Price. <u>If Meralco paid an amount lower than the Contract Price, Meralco shall be liable to pay the difference to the Power Supplier.</u> In the event there is inadequate supply from WESM, Power Supplier shall pay a fine in accordance with Section 7.3.”</p> <p>“16.3.2 – In case of sale to the WESM, and <i>provided</i> that, Meralco is able to cure the Meralco Event of Default prior to the exercise by Power Supplier of its rights under Section 16.3.4, Meralco shall be liable to pay Power Supplier the difference between the (i) amount that Power Supplier actually received from such sale of the MEOT to the WESM and (ii) the amount Power Supplier would have received under this Agreement at Contract Price within MEOT. <u>If Power Supplier sold to the WESM at a higher price than the Contract Price, Power Supplier shall be liable to pay the difference to Meralco.</u>”</p>	
71.		Documents to be provided by Power Supplier to Support ERC Application / PSA Appendices	Appendix B / Part three Item 8 / page 54	<p>One of the Conditions Precedent for the signing of the PSA is Meralco’s receipt of the documents and evidence set forth in Part 3 of Appendix B, which includes the COC or PAO. In relation thereto, we suggest the following revision and/or Bidders be allowed to submit a write-up to explain whether the document is applicable or the status thereof or :</p> <p>“8. Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) issued by the Energy Regulatory Commission pursuant to the Guidelines for the issuance of COC/PAO for Generation Companies/Facilities including</p>	<p>We are not amenable with this edit. A certification by the ERC that the PAO or the COC application is pending evaluation is the same as certifying that the “pre-filing requirements have been completed.” A certification by the ERC that the PAO or the COC application is pending with the ERC already encompasses the “pre-filing process” of the ERC.</p>

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				Annexes or any certification issued by the ERC that the PAO or the COC <u>(a) pre-filing requirements have been completed, or (b)</u> is pending evaluation."	
72.		Title Page and Recitals / PSA Template	Title Page and Recitals (B) / Page 1	We suggest that reference to 500MWac (net) be updated to the actual contract capacity of the Winning Power Supplier.	Amenable with the proposed edit. The DU's PSA team will note this for the PSA to be revised to reflect the applicable information for the Winning Power Supplier's offer.
73.		Definitions / PSA Template	Article 1 / Section 1.1 / Page 2	<p>Availability of Supply or Available is defined as "means one hundred percent (100%) of the Contract Capacity is available for a continuous period of twelve (12) hours daily covering peak hours of Meralco. For clarity, Meralco's peak hours are from 9:00 AM to 9:00 PM, but may be subject to change during the Term upon mutual consent of the Parties."</p> <p>The same is also provided in the ITB as follows – Availability of Supply:</p> <ul style="list-style-type: none"> 100% available Contract Capacity for a continuous period of 12 hours daily covering peak hours of Meralco. For clarity, Meralco's peak hours at present are from 9:00 AM to 9:00 PM, but this may change during the Required Contract Period upon mutual consent of both Parties. For clarity, Power Supplier should be able to declare as bilateral contract quantity to the WESM the energy nomination of Meralco during its peak hours. <p>To provide more clarity on the trading intervals which will be covered by the said hours, we suggest specifying the actual trading hours covered by Meralco's peak hours. See suggested revision below</p> <p>-</p> <p>"Availability of Supply or Available" means one hundred percent (100%) of the Contract Capacity is available for a continuous period of twelve (12) hours daily covering peak hours of Meralco. For clarity, Meralco's peak hours are from 9:00 AM to 9:00 PM, <u>covering the 144 5-minute intervals from 0905H until 2100H (inclusive)</u>, but may be subject to change during the Term upon mutual consent of the Parties."</p>	We are not amenable to the proposed change, since current wording already is clear. Note also that Trading Interval is defined as referring to an hour, which is why definition here also refers to hours

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74.		Material Adverse Government Action / PSA Template	Article 1 / Section 1.1 / Page 6	<p>Consistent with other PSAs of Meralco and as approved by the ERC, we suggest that the threshold for determining cost impact for Material Adverse Government Action be at 3%, which is already a materially adverse one given the scope of the transaction. The 10% threshold is too onerous such that the Power Supplier may have a difficult, if not impossible, time to reach it. The 10% threshold is already a high threshold especially that the Bidder will continue to suffer the losses while the MAGA is continuing. Thus, we suggest the following revision:</p> <p>“ ... which causes or may cause serious damage to, or materially and adversely affects the financial condition of, any of the Parties. It is understood that there is serious damage to, or material ad adverse effect on the financial condition, of a Party if the cost impact is more than ten three percent (103%) of the annual capacity payment.”</p> <p>We would also like to seek clarification on the definition of “annual capacity payment” since it is a recurring term in the PSA but not defined therein.</p>	<p>We are not amenable with the proposal. The updated threshold will now be based on MEOT (minimum energy offtake) as the minimum annual revenue of the company, hence, 10% is still reasonable.</p> <p>Moreover, the most recent renewable energy RPS-compliance mid-merit PSA of MERALCO that was approved by final decision from the ERC adopted the same 10% threshold and was not discussed, changed, or prohibited by the ERC. Given an ERC-approval precedent to follow and considering that the said PSA involves a larger Contract Capacity of 850 MW, as relayed by the MERALCO DU, the preference is to retain the same threshold percentage.</p> <p>Annual capacity payment refers to the amount equivalent to the minimum energy off-take in a contract year (in kWh) multiplied by the contract price (in Php/kWh) for energy within the minimum energy off-take.</p> <p>However, the PSA provision will be revised from using the annual capacity payment as base and use instead the Contract Price within MEOT considering that the PSA adopts a straight energy price, to wit:</p> <p>“1.1 xxx</p> <p>Material Adverse Government Action means: xxx which causes or may cause serious damage to, or materially and adversely affects the financial condition of, any of the Parties. It is understood that there is serious damage to, or material and adverse effect on the financial condition of, a Party if the cost impact is more than ten percent (10%) of the annual capacity payment Contract Price within MEOT.”</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR 350 MW (AC, NET, EFFECTIVE MARCH 2025) TO INCREASE BY 150 MW (AC, NET, EFFECTIVE MARCH 2026) RENEWABLE ENERGY MID-MERIT SUPPLY REQUIREMENT ("500 MW RE MID-MERIT REQUIREMENT EFFECTIVE MARCH 2025")

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					Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.
75.		Plant / PSA Template	Article 1 / Section 1.1 / page 8 Article 4 / Section 4.1.1 / page 14	<p>We suggest that the Power Supplier be allowed to source the Contract Capacity and Associated Energy from improvements to be made on the plant (e.g., expansion, increase of capacity, or addition of a battery energy storage system) or any other plant of the Power Supplier that may elect to nominate, subject to the evaluation of Meralco's Independent Engineer, if necessary. Given that this is a 10-year financial PSA on a fixed rate, this would allow the Power Supplier, in its exercise of prudence, to mitigate its risks by improving or adding more plants within the duration of the Term, instead of sourcing from the WESM any shortfall from its current Nominated Plants on a time-matched basis.</p> <p>Thus, we suggest the revision of the definition of the term "Plant" as follows:</p> <p style="padding-left: 40px;">"Plant has the meaning given to it in the recitals of this Agreement, as more particularly described in Appendix A₁, <u>and shall refer to any improvements made thereon or such other plants that the Power Supplier may elect to nominate.</u>"</p> <p>To operationalize this, we suggest the addition of Section 4.1.2, as follows:</p> <p style="padding-left: 40px;"><u>"4.1.2 Should the Power Supplier intend to source the Contract Capacity and Associated Energy from improvements made on the Plant or such other plants that the Power Supplier may elect to nominate, the Power Supplier shall notify Meralco in writing at least thirty-five (35) days before the beginning of such supply, and Meralco shall confirm, which confirmation shall not be unreasonably withheld, such supply in writing at least five (5) days before the beginning of the supply. At Meralco's option and at the Power Supplier's cost, Meralco may</u></p>	<p>We are not amenable to include this in the PSA template's body. Since the PSA is financial-type, there is no need to revise the definition of Plant and the Parties will just need to agree on any additional source of the Contract Capacity and Associated Energy.</p> <p>No need to put this in the PSA body. This can be discussed and agreed upon during the implementation of the PSA through the Operations Protocol.</p>

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				<u>have its Independent Engineer evaluate the improvement or the new plant."</u>	
76.		Conditions Precedent	Article 3 / Section 3.1.1 / Page 12	<p>Given that not all governmental authorizations may be available or issued at the time of the execution of the PSA (considering that supply of the contract capacity will still be in 2025) , we suggest that it be removed as a condition precedent to the execution of the PSA. In any case, this is already included as a condition precedent to the Operations Effective Date in Section 3.2.2 (c). Thus, we suggest the following deletion:</p> <p align="center">"3.1.1 Conditions Precedent to Execution Date</p> <p align="center">xxx xxx xxx</p> <p>(d) All governmental authorizations (except ERC) which are required to have been obtained in connection with the execution, delivery and commencement of performance of this Agreement, shall have been obtained and in full force and effect."</p>	We would like to request the Bidder asking this to send via email to the BAC-PSA Secretariat a clarification as to which specific governmental authorizations are of concern [given that not all requirements by OED are required by Execution Date].
77.		Reduction in Contract Capacity / PSA Template	Article 8 / Section 8.1 / Page 17	<p>In relation to the reduction of contract capacity, we suggest the following:</p> <ol style="list-style-type: none"> Parameters on how and when the reduction will be take place (e.g., what are the qualifications for the reduction, thresholds, etc.); Proof/supporting documents be required for the invocation of reduction in contract capacity; and Reduction be pro-rated depending on the Offered Contract Capacity of each winning Bidder. 	<p>The implementing rules with regard to the possible reduction in contract capacity due to reduction in demand shall be part of the Operating Protocol that will be agreed upon by Meralco and the Power Supplier prior to the implementation of the PSA.</p> <p>Further, pro-rated reduction is not contemplated under the ERC CSP Guidelines but rest assured that reduction in contract capacity will be done in a manner consistent with MERALCO's least cost obligations to its captive customers.</p>
78.		Disputes / PSA Template	Article 9 / Section 9.2.2 / Page 17	We suggest that the period within which Meralco can dispute any amount paid at a later date be changed specifically to <u>the corresponding financial</u> year such that Power Supplier can properly close its books within the financial year. Otherwise, Meralco will have the ability to dispute amounts paid which have already been finalized and accounted for in the books for the Bidder.	<p>We are not amenable with the proposal.</p> <p>The 1-year period to dispute is a standard period in MERALCO's PSAs. Since this provision contemplates that the payment has already been received by Power Supplier for such billed [then questioned] amounts, in the interest of customers, MERALCO should be given ample opportunity</p>

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					to recoup disputed amounts that may have wrongfully been charged and paid.
79.		Termination other than upon Event of Default / PSA Template	Article 11 / Section 11.2 (a) Article 16 / Section 16.5.4 / Page 37	<p>We suggest that in case the Power Supplier terminates the PSA due to Material Adverse Government Action, it should not be liable to pay the liquidated damages, except with the ERC or such other Governmental Authority decides with finality that the MAGA does not exist. In addition, consistent with previous PSAs of Meralco, as approved by the ERC, we suggest that the threshold for determining incurred costs be lowered to 3% of the annual capacity payment. The 10% threshold is too onerous such that the Power Supplier may have a difficult, if not impossible, time of reaching it. Thus, we suggest the following revisions:</p> <p>On Section 11.2 (a) –</p> <p>“(a) ...</p> <p>Power Supplier shall, during the pendency of the Application for Price Adjustment.... If such inaction on the Application for Price Adjustment persists after one (1) year from filing thereof, Power Supplier has the option to either (i) resume performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco, or (ii) terminate this Agreement, subject to the payment of fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3; provided that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty three percent (30%) of the annual capacity payment.</p> <p>If the Application for Price Adjustment has been denied.... provided that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty three percent (30%) of the annual capacity payment.”</p> <p>On Section 16.5.4 –</p>	<p>We are not amenable with the proposal. Power Supplier’s obligation to pay 50% liquidated damages is to cover exposure of Meralco’s customers on account of the termination of the PSA.</p> <p>Not amenable with lowering the threshold to determine that there is serious damage or material and adverse effect on Power Supplier from 30% to 3%. However, the PSA provision will be revised from 30% of the annual capacity payment to 30% of the Contract Price within MEOT considering that the PSA adopts a straight energy price, as follows:</p> <p>“11.2 xxx</p> <p>(a) xxx</p> <p>Power Supplier shall, during the pendency of the Application for Price Adjustment, continue to make available the Contract Capacity and supply the Associated Energy to Meralco; <i>provided</i> that, if, after six (6) months from filing of the Application for Price Adjustment, no action has been taken upon such application by the ERC, Power Supplier may, upon thirty (30) Days prior notice to Meralco, suspend the performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco for a period of up to six (6) months from effective date of suspension. xxx xxx xxx If such inaction on the Application for Price Adjustment persists after one (1) year from filing thereof, Power Supplier has the option to either (i) resume performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco, or (ii) terminate this Agreement, subject to payment of fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3; <i>provided</i> that, serious damage or material</p>

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				<p>"(a) If Power Supplier sends a Notice of Material Adverse Government Action that gives rise to an option to terminate this Agreement under Section 11.2, then Power Supplier may terminate this Agreement upon sixty (60) Days prior written notice to the other Party, subject to Power Supplier's payment of fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3. However, if If ERC or applicable Government Instrumentality denies the existence of a Material Adverse Government Action and Power Supplier proceeds to terminate this Agreement, Meralco shall be entitled to one hundred percent (100%) liquidated damages calculated in accordance with Section 16.3.3. Until termination occurs, the Parties shall continue to perform their respective obligations under this Agreement."</p>	<p>and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty percent (30%) of the annual capacity payment Contract Price within MEOT.</p> <p>If the Application for Price Adjustment has been denied, in whole or in part, Power Supplier shall be entitled to terminate this Agreement in accordance with the provisions of Section 16.5.4(a); <i>provided that</i>, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty percent (30%) of the annual capacity payment Contract Price within MEOT. xxx"</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
80.		ERC Application / PSA Template	Article 12 / Section 12.1.1 / Page 23	<p>The timeline in the PSA for the application for the approval of the PSA should be consistent with the timeline in the IPB, which is 30 days. Thus, we suggest the following revision:</p> <p>"Within thirty (30) Days from the signing and execution of this Agreement five (5) Days after receipt from the Power Supplier of the documents set forth in Appendix B (or such other period agreed upon by the Parties), the Parties shall jointly file with the ERC..."</p>	<p>The timeline in the IPB pertain to the maximum period provided under the ERC CSP Guidelines. Hence, any other period can be indicated as long as the maximum is not exceeded. Given the repercussions, of delayed pre-filing and filing, it is prudent to not rely on the maximum periods, and Parties should endeavor to file as soon as possible.</p> <p>Further, Section 23 of the ERC CSP Guidelines provide that pre-filing requirements must be submitted to the ERC within 15 calendar days from execution of the PSA. ERC may impose penalties on the Applicants equivalent to the total monthly payments prescribed in the PSA for 3 billing periods or 90 days, whichever is longer, should Applicants fail to submit the pre-filing requirements within the prescribed period.</p>
81.		Bonds / PSA Template	Article 12 / Section 12.2.2 (ii) / Page 24	<p>We believe that there is a typographical error and that reference to Bid Security in Section 12.2.2 (ii) should be reference to the Performance Bond.</p>	<p>Amenable with the edit. Section 12.2.2(ii) will be revised as follows:</p> <p>"12.2.2 In case of Power Supplier's non-acceptance, it has the following options:</p>

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					<p>xxx xxx xxx</p> <p>(ii) If Power Supplier does not file a motion for reconsideration with the ERC and/or notifies Meralco that it intends to terminate this Agreement, Meralco shall have the right to forfeit the Bid Security Performance Bond to the extent of twenty-five percent (25%) thereof."</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
82.		Assignment / PSA Template	Article 19 / Section 19.1.2 / Page	<p>We suggest deletion of the provision below as the PSA is with Meralco. In any case, Meralco already has the right to reduce contract capacity in Section 8.1.</p> <p>“19.1.2 Contract Capacity and Associated Energy that is no longer required by Meralco shall not be assigned, transferred, designated, delegated or allocated (collectively in this context, "Transfer") by Meralco to another, except (i) when allowed by the ERC; or (11) when necessary to mitigate or avoid any losses or costs due to stranded contract capacity; provided that, any assignment or transfer to a distribution utility shall comply with applicable competitive selection process rules. In the case of item (1), Meralco shall be entitled to Transfer its rights and obligations to purchase a portion of Contract Capacity and Associated Energy that is no longer required by Meralco_(a) to any of its business segments_or wholly owned Affiliates_without the prior consent of Power Supplier, or (b) to any other Person, subject to the consent of Power Supplier, which consent shall not be unreasonably withheld, delayed or conditioned."</p>	<p>We are not amenable with the proposal. The adjustments in Contract Capacity and Associated Energy under Article 8 of the PSA is a right distinct from Article 19 on assignment. Hence, Article 8 can be exercised independently from Article 19.</p>
83.		Invoicing and Payment Procedures / PSA Appendices	Appendix G / Item 7 / page 77	<p>We suggest the deletion of Meralco’s option to pay in USD because such option only applies when there are USD-denominated portions in the Monthly Power Bill, but we note that the Monthly Power Bills should be in Philippine Peso as specified in PSA Appendix D, Section B, first paragraph.</p>	<p>This is noted and will be deleted in the PSA template.</p> <p>7 — Option to Pay in US Dollars Meralco has the option to pay in Philippine Peso or US Dollars, the USD-denominated portions of the Monthly</p>

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					<p>Power Bill, provided, if Meralco opts to pay in US Dollars, it shall send written notice to Power Supplier within 10 days after the receipt of the Provisional Invoice."</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
84.		Day-Ahead Capacity Availability and Energy Nominations Schedules	Appendix F / Section 5.3 / Pag 73	<p>We suggest that the option to increase the day-ahead energy nomination on a day-after basis be subject to Power Supplier's approval.</p> <p>"Meralco shall, in all Trading Intervals within the Availability of Supply, nominate any value from zero up to the Contract Capacity as its day-ahead energy nomination. If Meralco does not furnish Power Supplier with its day-ahead energy nomination schedule, the nomination for the same Day in the week-ahead energy nomination schedule shall be deemed the nominated schedule for the Day. Notwithstanding the foregoing, Meralco shall have the option to increase or decrease its day-ahead energy nomination schedule on an intra-day basis, subject to Operating Procedures and WESM Rules. In addition, Meralco shall have the option to increase its day-ahead energy nomination schedule on a day-after basis, <u>subject to Power Supplier approval.</u> Xxx"</p>	<p>This is noted and will be amended in the PSA template.</p> <p>Please see Annex B of this Bid Bulletin No. 2 reflecting the amendment to the IPB.</p>
85.		Nominations	Article 4 / Section 4.4 / Page 14	<p>We suggest removing the requirement to provide capacity availability given the nature of a financial contract i.e., no outage allowance –</p> <p>"4.4.1 For administrative and planning purposes only, Power Supplier shall furnish Meralco with year-ahead, month-ahead, and week-ahead capacity availability, and Meralco shall furnish Power Supplier with non-binding year-ahead, month-ahead, and week-ahead nominations of Contract Capacity and Associated Energy, in accordance with the WESM Rules and the Operating Procedures. Such nominations shall reflect Meralco's</p>	<p>We are not amenable to the proposed change since this is necessary for planning and operations of Meralco.</p>

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				<p>good faith estimate of its projected capacity requirements for such period.”</p> <p>“4.4.2 For administrative and planning purposes only, Power Supplier shall furnish Meralco with year-ahead, month-ahead, and week-ahead capacity availability, and Meralco shall furnish Power Supplier with non-binding year-ahead, month-ahead, and week-ahead nominations of Contract Capacity and Associated Energy, in accordance with the WESM Rules and the Operating Procedures. Such nominations shall reflect Meralco’s good faith estimate of its projected capacity requirements for such period.”</p>	
86.		Annual, Monthly, Weekly Capacity Availability	Annex F / Section 4 / Pages 71-73	<p>We suggest removing the requirement to provide capacity availability given the nature of a financial contract i.e., no outage allowance –</p> <p>“4. Annual, Monthly, and Weekly Capacity Availability and Energy Nomination Schedules</p> <p>In accordance with Section 4.4.1 of this Agreement, Power Supplier shall furnish Meralco with year-ahead capacity availability schedules, month-ahead capacity availability schedules, and week-ahead capacity availability schedules and Meralco shall furnish Power Supplier with nonbinding year-ahead energy nomination schedules, month-ahead energy nomination schedules, and week-ahead energy nomination schedules. Such nomination schedules shall reflect Meralco’s good faith estimate of its projected requirements for each of the hours during such periods.</p> <p>4.1 Year-Ahead Capacity Availability and Energy Nomination Schedules</p> <p>When establishing the year-ahead schedules the Parties shall observe the following:</p>	We are not amenable to the proposed change since this is necessary for planning and operations of Meralco.

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				<p>(a) Power Supplier shall furnish Meralco the year-ahead capacity availability schedule of the Plant for a relevant Contract Year at least one hundred and twenty (120) Days prior to the start of the next Contract Year. Meralco shall furnish Power Supplier with the year-ahead energy nomination schedule at least ninety (90) Days prior to the start of the next Contract Year. The year-ahead capacity availability schedule shall indicate the hourly estimate of capacity availability (in kW) of the Plant in accordance with the contracted capacity of the Contract Year (i.e., 8,760 hours for non-leap years, 8,784 hours for leap years) and the schedule of planned maintenance outages calendared for the Contract Year as approved by the System Operator. When establishing the year-ahead energy nomination schedule, Meralco shall provide non-binding monthly estimate of energy nomination to Power Supplier for each month of the Contract Year. The year-ahead energy nomination schedule shall be based upon Meralco's good faith estimates of its requirements to serve its customers' aggregate demand, as such estimates may be revised during the course of the Contract Year (as shown in the month-ahead, week-ahead, and day-ahead nominations) to reflect the actual variation in customer demand.</p> <p>(c) In case of the first Contract Year, Power Supplier shall furnish Meralco with its nonbinding year-ahead capacity availability schedule not later than fifteen (15) Days prior to the Operations Effective Date. Within five (5) Days from receipt of such non-binding year-ahead capacity availability schedule for the first Contract Year, Meralco shall <u>still</u> furnish Power Supplier with its non-binding year ahead energy nomination schedule for the first Contract Year.</p> <p>4.2 Month-Ahead Capacity Availability and Energy Nomination Schedules</p>	

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				<p>(a) Power Supplier shall furnish Meralco the month-ahead capacity availability schedule of the Plant for a Billing Period on or before the 15th calendar Day of the calendar month in which such Billing Period starts.</p> <p>(b) The month-ahead capacity availability schedule shall indicate the hourly estimate of capacity availability (in kW) of the Plant in accordance with the contracted capacity for the Billing Period (e.g., 720 hours for a 30-Day month) and the Scheduled Outages calendared for the Billing Period as approved by the System Operator, if any, and changes thereat in the year-ahead capacity availability schedule for the Contract Year.</p> <p>(c) Upon receipt of the month-ahead capacity availability schedule submitted by Power Supplier, Meralco shall send confirmation of receipt of such schedule by e-mail.</p> <p>4.3 Week-Ahead Capacity Availability and Energy Nomination Schedules</p> <p>(a) Power Supplier shall furnish Meralco the week-ahead capacity availability schedule of the Plant on or before every Friday of the preceding week.</p> <p>(b) The week-ahead capacity availability schedule shall indicate the hourly estimate of capacity availability (in kW) of the Plant in accordance with the contracted capacity for the relevant week (e.g., 168 hours for a 7-Day Week) and the Scheduled Outages calendared for the relevant week as approved by the System Operator, if any, and changes thereat in the month-ahead capacity availability schedule for the Billing Period.</p>	

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				<p>(c) Upon receipt of the week-ahead capacity availability schedule submitted by Power Supplier, Meralco shall send confirmation of receipt of such schedule by e-mail.</p> <p>5. Day-Ahead Capacity Availability and Energy Nomination Schedules</p> <p>5.1 Power Supplier shall furnish Meralco the Plant's day-ahead capacity availability schedule. The day-ahead capacity availability schedule shall indicate the 24 hourly capacity availability (in kW) of the Plant in accordance with the contracted capacity and the scheduled outages scheduled for the succeeding Day. If Power Supplier does not furnish Meralco the Plant's day-ahead capacity availability schedule, the capacity for the same Day in the week-ahead capacity availability schedule shall be deemed the available capacity for the Day.</p> <p>5.2 Upon receipt of the day-ahead capacity availability schedule submitted by Power Supplier, Meralco shall send to Power Supplier confirmation of receipt of such schedule by e-mail.</p> <p>5.3 Meralco shall, in all Trading Intervals within the Availability of Supply, nominate any value from zero up to the Contract Capacity as its day-ahead energy nomination. If Meralco does not furnish Power Supplier with its day-ahead energy nomination schedule, the nomination for the same Day in the week-ahead energy nomination schedule shall be deemed the nominated schedule for the Day. xxx"</p>	
87.		WESM Declaration / PSA Template	Article 4 / Section 4.5 / Pages 14-15	<p>May we clarify on how the below provision will be implemented? We note that the system used by the Market Operator for the day-after BCQ declaration allows the Buyer to review/confirm the BCQs. The Supplier may also re-declare to address any erroneous submission provided that it is submitted and confirmed by the</p>	The implementing rules with regards to this shall be part of the Operating Protocol that will be agreed upon by Meralco and the Power Supplier prior to the implementation of the PSA.

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MID-MERIT SUPPLY REQUIREMENT ("500 MW RE MID-MERIT REQUIREMENT EFFECTIVE MARCH 2025")

	PSA TEMPLATE-RELATED QUERIES/COMMENTS				
	BIDDER NAME (ACRONYM)	TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
				<p>Buyer before 11:59PM of the same day. Likewise, the settlement of any imbalances whether over or under declared BCQs should keep the buyer whole for its nominated contract volume. Further, the WESM Purchase or Sale arising from the imbalance should be returned to the rightful party.</p> <p>Power Supplier shall ensure that its daily declaration of BCQs reported to the Market Operator (as required by the WESM Rules) accurately reflects the day-ahead nominations of Meralco. Any amounts assessed by the Market Operator on the Parties, including amounts for energy imbalances, as a result of an erroneous declaration by Power Supplier of Meralco's BCQs shall be borne by Power Supplier, and Power Supplier shall indemnify and hold Meralco harmless from any loss, cost, expense or penalty incurred or paid by Meralco as a result of any such erroneous declaration.</p> <p>Additionally, we suggest to delete the provision since daily BCQ declarations would have confirmation from both parties, and should not anymore warrant an imposition of a penalty.</p> <p>Further, Power Supplier shall pay Meralco an administrative fee of Fifty Thousand Pesos (PhP50,000.00) for each Trading Interval of erroneous BCQ declaration, which is due to Power Supplier's fault.</p>	<p>We are not amenable to the proposed change since this provision is already in Meralco's other PSAs. Note that given Power Supplier's multiple opportunities to reflect correction before a BCQ declaration becomes final, the amount is in the nature of a penalty to discourage erroneous BCQ declaration that could prejudice Meralco customers if overlooked or not corrected.</p>
88.		PSA Availability of Supply or Available	Page 2 Article 1.1	For any Change on the availability of Supply within the Term of the PSA, will changes refer only to the adjustments to the time but still capped at 12 hours per day?	Yes.
89.		PSA Contract Capacity	Page 1 Recital B	<p>Suggest change 500 MW ac (net in recital B of the PSA Template to Contract Capacity as Offered Contract Capacity of Winning Bidder might be lower than 500 MW</p> <p>Power Supplier [administers/owns/manages/maintains a/an/the following]: [_____] located in [_____] ([collectively] referred to as "Plant"), and capable of supplying 500 MWAC (net)</p>	Amenable with the edit, as the PSA template will be updated to reflect winning Power Supplier's offer/details.

COMPETITIVE SELECTION PROCESS (CSP) FOR 350 MW (AC, NET, EFFECTIVE MARCH 2025) TO INCREASE BY 150 MW (AC, NET, EFFECTIVE MARCH 2026) RENEWABLE ENERGY
MID-MERIT SUPPLY REQUIREMENT ("500 MW RE MID-MERIT REQUIREMENT EFFECTIVE MARCH 2025")

PSA TEMPLATE-RELATED QUERIES/COMMENTS					
	BIDDER NAME (ACRONYM)	TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
				<u>Contract Capacity</u> under the terms and conditions contained herein.	
90.		Billing / PSA Template	Article 9 / 9.1 / Page 17	Where there is only one Power Supplier but multiple nominated plants: a. Can each of the nominated plants bill Meralco directly, and shall Meralco pay those plants directly? b. Can we confirm that each of the nominated plants will BCQ to Meralco directly?	If the Bidder/ unincorporated or (if eventually) incorporated JV/consortium submits a portfolio of Nominated Plants, each Nominated Plant will have to declare BCQ to MERALCO directly. (see also response in item 60)

AMENDMENTS TO THE BID REQUIREMENTS (posted on 25 May 2024)

Item	Reference / Subject Matter of Amendment	Amendments
1	p.1	<p>[...]</p> <p>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, submit the joint venture or consortium agreement which provides 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., if each joint venture or consortium member offers a different Nominated 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. Moreover, each party to the joint venture or consortium must separately submit an undertaking as to its commitment to infuse the required equity contribution to the joint venture or consortium. <u>If the Bidder’s unincorporated joint venture or consortium is a recipient of a Notification of Best Bid, the said Bidder, during the period for Post-Qualification (i.e. within seven [7] days from issuance of the Notification of best Bid), must incorporate its joint venture or consortium and submit to the BAC-PSA a copy of its SEC Certificate of Incorporation/Partnership, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary/assistant corporate secretary, in which case, it must be under oath and notarized;”</u></p> <p>[...]</p>
2	p.3, Summary of the Bidding Process	<p>[...]</p> <p>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 10 July 2024 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 <u>or in favor of an Affiliate, or under similar Control of the same Ultimate Parent</u>, (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</p>

Item	Reference / Subject Matter of Amendment	Amendments
		(BIR) and the purchase/investment/acquisition duly registered in the stock and transfer book of the corporation. [...]

AMENDMENTS TO THE INSTRUCTIONS TO PROSPECTIVE BIDDERS (dated 25 May 2024)

Item	Reference / Subject Matter of Amendment	Amendments
1	Section 2.2 (b)	<p>[...]</p> <p>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 10 July 2024 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 <u>or in favor of an Affiliate, or under similar Control of the same Ultimate Parent</u>, (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.</p> <p>[...]</p>
2	Section 2.4	<p>2.4. COSTS AND EXPENSES</p> <p>xxx xxx xxx</p> <p>The Winning Power Supplier shall bear all the costs related to engaging the services of an Independent Engineer during this Bidding <u>which shall be pro-rated among the Winning Power Supplier/s' contracted capacity</u>; the pre-filing publication cost and filing fee of the relevant joint application for approval of the PSA with the ERC, while Meralco shall bear the publication cost and posting expenses of the notice of public hearing to be issued by the ERC for the said joint application.</p> <p>[...]</p>
3	Section 3.1.2 (f) and Annex QD-2 (f)	<p>[...]</p> <p>(f) if the Interested Bidder formed a joint venture or consortium for the purpose of this Bidding, the Interested Bidders should submit the joint venture or consortium agreement that provides evidence that their rights and obligations, including liabilities in this Bidding and the resulting 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., if each joint venture or consortium member offers a different Nominated 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</p>

Item	Reference / Subject Matter of Amendment	Amendments
		<p>Technical Proposal, each party to a Bidder joint venture or consortium shall be construed as the Bidder. Moreover, each party to the joint venture or consortium must separately submit an undertaking as to its commitment to infuse the required equity contribution to the joint venture or consortium. The submissions should be certified as a true copy by the duly authorized officer of said joint venture/partners/consortium members, in which case, it must be under oath and notarized. <u>If the Bidder’s unincorporated joint venture or consortium is a recipient of a Notification of Best Bid, the said Bidder, during the period for Post-Qualification (i.e. within seven [7] days from issuance of the Notification of best Bid), must incorporate its joint venture or consortium and submit to the BAC-PSA a copy of its SEC Certificate of Incorporation/Partnership, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary/assistant corporate secretary, in which case, it must be under oath and notarized;”</u></p> <p>[...]</p>
4	Annex BID-2 and Schedule 1	<p>“ANNEX BID-2</p> <p><i>[Letterhead of Issuing Bank]</i></p> <p>BID SECURITY</p> <p>xxx</p> <p>"2. Subject to the other provisions of this Letter of Credit, Meralco is hereby irrevocably authorized to make one drawing for the entire Stated Amount under this Letter of Credit by presenting to the Issuer, at its address set forth above <u>(insert Branch Name and Address, which should be within Metro Manila)</u>, a demand for payment from Meralco in substantially the form attached as Annex A, duly completed, and is in the form of a letter on Meralco’s letterhead signed by any of its authorized signatories.</p> <p>xxx xxx xxx</p>

Item	Reference / Subject Matter of Amendment	Amendments
		<p>SCHEDULE 1</p> <p>LIST OF ALLOWED BANKS</p> <p>xxx Bank of Commerce <u>Bank of China (Hongkong) Limited</u> Bank of the Philippine Islands xxx”</p>

AMENDMENTS TO THE POWER SUPPLY AGREEMENT TEMPLATE

Item	Reference / Subject Matter of Amendment	Amendments
1	Section 1.1	<p>[...]</p> <p>1.1 xxx</p> <p>Material Adverse Government Action means: xxx which causes or may cause serious damage to, or materially and adversely affects the financial condition of, any of the Parties. It is understood that there is serious damage to, or material and adverse effect on the financial condition of, a Party if the cost impact is more than ten percent (10%) of the annual capacity payment Contract Price within MEOT."</p> <p>[...]</p>
2	Section 4.2 (footnote 1)	<p>¹ Contract Price during First Contract Year (VAT exclusive) at sixty percent (60%) fifty (50%) plant capacity factor corresponding to the Contract Capacity.</p>
3	Section 6.1.1.	<p>6.1.1. Power Supplier shall at all times during the Term, operate, maintain, administer and/<u>or</u> manage the output xxx</p> <p>[...]</p>
4	Section 9.2.1 (new, Prompt Payment Discount)	<p>[...]</p> <p>9.2.1 Meralco shall pay the entire amount indicated in the Final Invoice (subject to Appendix G) when due and payable, provided that, Meralco shall not be required to make payment on any Invoice that is manifestly in error, apparently invalid, or not in the form or substance contemplated by this Agreement, until the same has been corrected following prompt notice by Meralco to Power Supplier of such error, invalidity, or absence of proper form or substance.</p> <p>Power Supplier shall extend [] percent ([]%) discount based on the Contract Price within MEOT to Meralco as prompt payment if (i) payment is made within [] Days from receipt of</p>

Item	Reference / Subject Matter of Amendment	Amendments
		<u>Power Supplier’s billing, and (ii) Meralco is up to date with all its payment obligations under this Agreement.</u> [...]
5	Section 11.2	[...] 11.2 xxx (a) xxx 1.1 Power Supplier shall, during the pendency of the Application for Price Adjustment, continue to make available the Contract Capacity and supply the Associated Energy to Meralco; <i>provided</i> that, if, after six (6) months from filing of the Application for Price Adjustment, no action has been taken upon such application by the ERC, Power Supplier may, upon thirty (30) Days prior notice to Meralco, suspend the performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco for a period of up to six (6) months from effective date of suspension. xxx xxx xxx If such inaction on the Application for Price Adjustment persists after one (1) year from filing thereof, Power Supplier has the option to either (i) resume performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco, or (ii) terminate this Agreement, subject to payment of fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3; <i>provided</i> that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty percent (30%) of the annual capacity payment <u>Contract Price within MEOT.</u> If the Application for Price Adjustment has been denied, in whole or in part, Power Supplier shall be entitled to terminate this Agreement in accordance with the provisions of Section 16.5.4(a); <i>provided</i> that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to more than thirty percent (30%) of the annual capacity payment <u>Contract Price within MEOT.</u> xxx" [...]
6	Section 12.2.1.	12.2.1 <u>Subject to ERC Approval having been received on or prior to the Longstop Date</u> Subject to the non-occurrence of the Longstop Date , upon receipt of the ERC Approval...

Item	Reference / Subject Matter of Amendment	Amendments
		[...]
7	Section 12.2.2. (ii)	<p>[...]</p> <p>12.2.2 In case of Power Supplier’s non-acceptance, it has the following options:</p> <p>xxx xxx xxx</p> <p>(ii) If Power Supplier does not file a motion for reconsideration with the ERC and/or notifies Meralco that it intends to terminate this Agreement, Meralco shall have the right to forfeit the Bid Security Performance Bond to the extent of twenty-five percent (25%) thereof.</p>
8	Section 16.1	<p>[...]</p> <p>16.1 Power Supplier Events of Default</p> <p>xxx xxx xxx</p> <p>If, within ninety one hundred eighty (90) (180) Days after Power Supplier’s receipt from Meralco of written notice of Power Supplier Event of Default (the “Curing Period”), such Power Supplier Event of Default has not been remedied by Power Supplier, Meralco may terminate this Agreement and pursue any remedy available to it under this Agreement, at law or in equity. xxx</p>
9	Appendix F, Section 5.3	<p>[...]</p> <p>Meralco shall, in all Trading Intervals within the Availability of Supply, nominate any value from zero up to the Contract Capacity as its day-ahead energy nomination. If Meralco does not furnish Power Supplier with its day-ahead energy nomination schedule, the nomination for the same Day in the week-ahead energy nomination schedule shall be deemed the nominated schedule for the Day. Notwithstanding the foregoing, Meralco shall have the option to increase or decrease its day-ahead energy nomination schedule on an intra-day basis, subject to Operating Procedures and WESM Rules. In addition, Meralco shall have the option to increase its day-ahead energy nomination schedule on a day-after basis, subject to Power Supplier approval. Xxx</p> <p>[...]</p>
10	Appendix G, item 7	<p>[...]</p> <p>7 Option to Pay in US Dollars</p>

Item	Reference / Subject Matter of Amendment	Amendments
		Meralco has the option to pay in Philippine Peso or US Dollars, the USD-denominated portions of the Monthly Power Bill, provided, if Meralco opts to pay in US Dollars, it shall send written notice to Power Supplier within 10 days after the receipt of the Provisional Invoice.