



BIDDING
CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

BID BULLETIN NO. 6
(29 August 2024)

To all Interested Bidders:

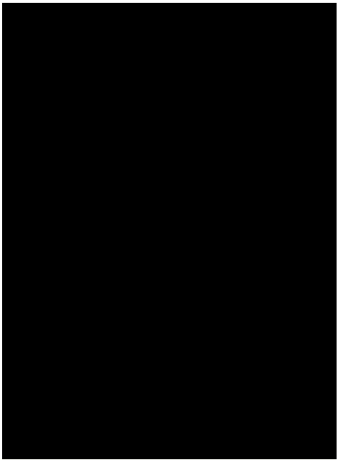
1. A matrix containing the set of advance queries by Interested Bidders for the Pre-Bid Conference and the corresponding responses of Meralco's BAC-PSA are set out in **ANNEX A**.
2. A matrix showing the amendments to the Instructions to Prospective Bidders (dated 18 June 2024) and Power Supply Agreement (PSA) Template is provided herein as **ANNEX B**.

For your guidance and information.

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

(sgd)
Lawrence S. Fernandez
Chairman

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

FORMATTING/PROCEDURAL-RELATED QUERIES/COMMENTS					
		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
1.		Annex TP-1 Technical Proposal (Nominated Plant)	IPB p. 90	<p>"Required Attachments: XX 2. Technical characteristics of the Plant showing evidence of compliance to the technical requirements stated in the Invitation to Bid's Terms of Reference Table ("TOR Table") using the following format and duly signed by the Bidder's authorized representative:"</p> <p>May we confirm that Required Attachment No. 2 of Annex TP-1 following the format provided in the template can be submitted <u>as a separate document or file</u> from Annex TP-1?</p>	Yes, this will be allowed.
2.		IPB		For the formatting/sealing of envelope 3, can the non fuel invoices be the first document to be paginated?	Yes, this will be allowed provided this is shown in the Envelope 3's Table of Contents.
3.		ANNEX QD-1A		<p>Will the BAC consider the Secretary's Certificate prepared by the Bidder for CSP purposes with the template below (for BAC SECRETARIAT's EYES ONLY):</p> <div><div><p>REPUBLIC OF THE PHILIPPINES) S.S. SECRETARY'S CERTIFICATE</p></div><div><p>SUBSCRIBED AND SWORN to before me this _____ at _____, Affiant, _____ Doc No. _____ Page No. _____ Book No. _____ Series of 2024.</p></div></div>	Yes, the proposed revisions of the Bidder will be allowed as the revised content of Annex QD-1A is similar to the intended purpose of the Annex QD-1A template in the IPB. [template was redacted by the BAC-PSA pursuant to Bidder's request for confidential treatment of information]
4.		Bid Requirements	Envelope 1 - Technical Qualification	For documents that are not applicable to the Bidder, can the Bidder provide a written justification? Or what is acceptable to MERALCO to satisfy the requirements?	Yes, the Bidder may do so. However, please note that 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

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					requirement – especially during the BAC-PSA's non-discretionary "Pass/Fail" assessment for completeness.

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5.		Annex QD-1A	Page 61 of the IPB	Given that Bidder is a partnership and has no board of directors can it revise Annex QD 1A as follows? "4. At a (regular/special) meeting of the board of directors partners of the Company, held on (date) at (place), in which meeting a quorum was present and acting throughout, the following resolutions were passed and approved:"	Yes, this will be allowed.
6.		Annex QD-1A	Page 61 of the IPB	A few units of the Nominated Plant of the Bidder are already operating while the other units are not yet operational. The original wordings in the template read: "3. The Company has been (established to develop, own, operate) a (specify details of the Nominated Plant) with the target completion date of (specify target completion date, as applicable)." We propose that this be revised as follows: "3. The Company has been (established to develop, own, operate) a (specify details of the Nominated Plant) <u>with completion date of [-] for Unit xxx</u> and target completion date of [-] <u>for Unit xxx</u> (specify target completion date, as applicable)."	Yes, the Bidder's requested edit will be allowed.
7.		Annex QD-1A	Pages 61-62 of the IPB	Bidder has more than one authorized representative during the Bidding. The original wordings in the template read: "4. RESOLVED FURTHER, that (name of representative) is hereby appointed as the authorized representative of the Company during the Bidding, authorized to sign, submit and receive documents for, and otherwise act in the name of, the Company; RESOLVED FINALLY, that any and all acts done or performed by (name of representative) under and by virtue of this resolution be, as they are hereby, confirmed and ratified." We propose that this be revised as follows:	Yes, the Bidder's requested edit will be allowed.

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				<p>"4. RESOLVED FURTHER, that <u>(name/s of representative/s) is/are</u> hereby appointed as the <u>authorized representative/s</u> of the Company during the Bidding, authorized to sign, submit and receive documents for, and otherwise act in the name of, the Company;</p> <p>RESOLVED FINALLY, that any and all acts done or performed by <u>(name/s of representative/s)</u> under and by virtue of this resolution be, as they are hereby, confirmed and ratified."</p>	
8.		Annex QD-1B	Page 63 of the IPB	<p>Please advise if "(position/delegation)" as shown below may be removed if the position of the representative as stated in the EOI is also "Authorized Representative" to avoid duplicity in the statement.</p> <p>I, (name), (citizenship), of legal age, with office address at (address), as the (position/designation) and duly authorized representative of (insert name of the Bidder) (the "COMPANY"), a (corporation/partnership) organized existing under and by virtue of the laws of the Republic of the Philippines, after having been duly sworn to in accordance with law, depose and state that:</p>	Yes, the Bidder's requested edit will be allowed.
9.		Annex QD-2	Page 64 of the IPB	<p>Please confirm that as worded below, partnerships need not provide an explanation regarding the absence of a GIS.</p> <p>(d) if applicable (i.e., a corporation), copy of its latest General Information Sheet (GIS), stamped "received" or email acknowledging receipt by the SEC, 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;</p>	Yes, this is correct.
10.		Annex QD-2	Page 64 of the IPB	<p>"(c) if applicable (i.e., corporations), copy of articles of incorporation and by-laws or articles of 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;"</p> <p>Do we provide only the latest amended articles of incorporation and by-laws or articles of partnership or copies of all Certificates of Filings issued by the SEC for each amendment since incorporation?</p>	Interested Bidders shall submit copies of the original AOI and By-Laws, and preferably all amendatory documents. If an Interested Bidder could not provide copies of all amendatory documents, it shall at least provide copies of the latest amendatory documents on clauses relating to:

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					<p>(1) For AOI – Name of the Corporation, Purpose/s (Primary and Secondary), Address of the Corporation, No. of Directors, and Authorized Capital Stock.</p> <p>(2) For the By-Laws – Quorums for meetings</p> <p>These are necessary for the BAC-PSA to evaluate the Legal and Financial Qualifications of the Bidder, and the latter's compliance of all other applicable requirements under the IPB.</p> <p>In addition, the Bidders shall submit copy/ies of the SEC Certificate/s of Filing of the Amended AOI and/or By-Laws, as applicable.</p>
11.		Annex QD-3	Page 67 of the IPB	<p>Please advise if "<i>(position/delegation)</i>" as shown below may be removed if the position of the representative as stated in the EOI is also "Authorized Representative" to avoid duplicity in the statement.</p> <p>I, (name), (citizenship), of legal age, with office address at (address), as the (position/designation) and duly authorized representative of (insert name of the Bidder) (the "COMPANY"), a (corporation/partnership) organized existing under and by virtue of the laws of the Republic of the Philippines, after having been duly sworn to in accordance with law, depose and state that:</p>	Yes, this will be allowed.
12.		Annex QD-4	Page 69 of the IPB	<p>Please advise if "<i>(position/delegation)</i>" as shown below may be removed if the position of the representative as stated in the EOI is also "Authorized Representative" to avoid duplicity in the statement.</p> <p>I, (name), (citizenship), of legal age, with office address at (address), as the (position/designation) and duly authorized representative of (insert name of the Bidder) (the "COMPANY"), a (corporation/partnership) organized existing under and by virtue of the laws of the Republic of the Philippines, after having been duly sworn to in accordance with law, depose and state that:</p>	Yes, this will be allowed.

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13.		Annex A of Annex QD-6	Page 74 of the IPB	Please confirm that Bidder should only list financial lenders, which (1) granted loans in favor of the Bidder and its Affiliates engaged in power generation (2) with power supply or off take agreements with Meralco and/or its Affiliates engaged in power generation, distribution, and supply. In other words, we need not include lenders of Bidder's Affiliates engaged in power generation that have no offtake agreements with MERALCO and its Affiliates.	Yes, this is correct.
14.		Annex QD-7 (c)	Page 78 of the IPB	Please confirm if the Reference Plant can be a Unit selected from a Power Plant with multiple generating units.	Yes, this will be allowed as long as the submitted documents will be for that specific Unit.
15.		Section 3.1.4 and Annex QD-7	Page 26 of the IPB Page 78 of the IPB	<p>Can the following documents on Reference Plant be certified by either the <u>corporate secretary or assistant corporate secretary of the owner of Reference Plant</u> instead of the <u>corporate secretary or assistant corporate secretary of the Bidder</u>?</p> <ol style="list-style-type: none"> 1. Proof that the Reference Plant is capable of generation of electricity of at least 150 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, <u>certified as a true copy by the corporate secretary, in which it must be under oath and notarized</u>, or similar official document like the GCMR which is submitted to or issued by that foreign country's regulatory body or agency; 2. Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from the ERC, as submitted by the Bidder <u>as a certified true copy by (i) ERC; or (ii) the corporate secretary, in which case it must be under oath and notarized</u>, or if the COC/PAO is not available as of Bid Submission Deadline, the 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 150 MW (AC, net) or if the Reference Plant is located outside of the Philippines, the license or permit equivalent to the 	<p>Reference Plant is defined in Section 9.60 of the IPB as: "xxx a single power plant of at least 150 MW (AC, net) installed capacity (firm, dispatchable and has attained a simple monthly average of at least 50% plant capacity factor (PCF) over a 3-month consecutive period of operations) and which, in the reasonable opinion of the BAC-PSA, has been satisfactorily developed, constructed, and/or operated or maintained by the Bidder, its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent."</p> <p>Hence, provided the Reference Plant is owned, developed, managed, administer or operated by the Bidder's direct shareholder representing Controlling interest, Affiliate or Ultimate Parent, the Reference Plant's corporate secretary/assistant corporate secretary may certify the document.</p>

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				<p>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;</p> <p>3. Market Participation Agreement for the Reference Power Plant, <u>which shall be certified as a true copy by (i) PEMC and/or IEMOP; or (ii) the corporate secretary, in which case it must be under oath and notarized,</u> or equivalent document if in a foreign country;</p> <p>4. Transmission Service Agreement (TSA) or a Distribution Wheeling Service Agreement (DWSA), if embedded, <u>which shall be duly certified by NGCP or applicable DU, or the corporate secretary, in which case it must be under oath and notarized,</u> or equivalent of these documents if in a foreign country;</p> <p>5. Fuel Supply Agreement, if available, otherwise a Fuel Procurement Plan, <u>which shall be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized,</u> or equivalent document if in a foreign country; and</p> <p>6. Certificate of Registration issued by BOI, <u>which shall be certified as a true copy by (i) BOI, or (ii) the corporate secretary, in which case it must be under oath and notarized.</u></p>	
16.		Annex TP-1 Technical Proposal (Nominated Plant)	Page 90 of the IPB	Can the Bidder submit the existing unit of the Nominated Plant as the Comparable Plant with the same technology given that it has been engaged in reliable commercial operation for at least one (1) year.	Yes, provided the other requirements for the Comparable Plant are also met (e.g. proof of reliable commercial operation for 1 year - average forced outage factor that has not been above five percent (5%) and its average Unit equivalent availability factor has not been below 50% for the duration of the commercial operation period except in a year of a major planned overhaul).
17.		Annex TP-1 (5)	Page 91 of the IPB	"The Comparable Plant will be considered to have been in "reliable" commercial operation for the purposes of this requirement once the BAC-PSA's independent engineer determines and certifies that the Bidder's submitted Comparable Plant has an average forced outage factor that	

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				<p>has not been above five percent (5%) and its average Unit equivalent availability factor has not been below 50% for the duration of the commercial operation period except in a year of a major planned overhaul."</p> <p>Please confirm if the calculation of Forced Outage Factor (FOF) and Equivalent Availability Factor (EAF) for the Comparable Plant will be the resulting average of the Plant's yearly average for the said performance indices.</p>	Yes, understanding is correct.
18.		Section 3.2 (a) Technical Proposal of IPB	Page 29 of IPB	Pls. confirm that fuel type under Section 3.2. of the IPB refers simply to type of fuel (i.e. coal, diesel, natgas, etc.)	Yes. Since the different units will use the same fuel, it is assumed that they will also have the same GNPHR.
19.		IPB	Section 3.1.4(a)	<p>For the following requirements: (i) list of projects undertaken over the last ten (10) years; (ii) list of electricity generation plants that it has operated for the last five (5) years; or (iii) proof /documentation of track record for the last five (5) years of power plants operated by it,</p> <p>If the current year is not yet completed such that a GCMR is not yet available for 2024, please confirm that the Bidder can submit GCMRs for the years 2019, 2020, 2021, 2022, and 2023, as applicable, as sufficient compliance of items (ii) and (iii)?</p> <p>Stated otherwise, no documentation for 2024 is required once the GCMRs for the last five (5) years, as applicable, is already included for submission.</p>	<p>Yes, the Bidder can submit the GCMR or MOR for the last five (5) years if it elects to submit item (iii) "proof of documentation of its track record...".</p> <p>If this will be voluminous to prepare, since the requirement is given an alternative option to the Bidder, it may just elect to submit items (i) or (ii), a one to two page list or enumeration of projects undertaken or operated over the last five years.</p>
20.		IPB	Section 3.4.1 (c) page 37	<p>Said provision states: "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.
21.		IPB - Technical Proposal	Section 3.4.1. (c)/Page 37	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	<i>See immediately preceding response above.</i>

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				to the subsequent Annex(es) and will be considered as an original for this purpose.” Please clarify that if the original is in Envelope 1, a photocopy of the same document may be used in Envelope 2.																	
22.		Certifications by the Corporate Secretary /IPB		Please confirm that any reference to Corporate Secretary is understood to include Assistant Corporate Secretary as an alternative.	Yes, provided that the Assistant Corporate Secretary certifying is the person named in the GIS.																
23.		Instructions to Prospective Bidders	Annex QD-8page 83	<div>There are certain line items in Annex QD-8 that are not applicable to a partnership. Thus, kindly confirm if the following proposed revisions in the Equity portion to reflect the proper terminologies are acceptable:</div> <div>From:<table><tr><td>Financial Information</td><td>2023</td></tr><tr><td>4. Subscribed and Paid Up Capital (at par, net of treasury shares) (a) Common Shares (b) Preferred Shares (c) Perpetual Shares Total</td><td></td></tr><tr><td>5. Additional Paid-In Capital (a) Common Shares (b) Preferred Shares (c) Perpetual Shares Total</td><td></td></tr><tr><td>7. Retained Earnings Appropriated by the Board</td><td></td></tr></table></div> <div>To:<table><tr><td>Financial Information</td><td>2023</td></tr><tr><td>4. Partnership Shares</td><td></td></tr><tr><td>5. [delete]</td><td></td></tr><tr><td>7. Retained Earnings Appropriated by the Partnership</td><td></td></tr></table></div>	Financial Information	2023	4. Subscribed and Paid Up Capital (at par, net of treasury shares) (a) Common Shares (b) Preferred Shares (c) Perpetual Shares Total		5. Additional Paid-In Capital (a) Common Shares (b) Preferred Shares (c) Perpetual Shares Total		7. Retained Earnings Appropriated by the Board		Financial Information	2023	4. Partnership Shares		5. [delete]		7. Retained Earnings Appropriated by the Partnership		Yes, the Bidder’s requested edit will be allowed.
Financial Information	2023																				
4. Subscribed and Paid Up Capital (at par, net of treasury shares) (a) Common Shares (b) Preferred Shares (c) Perpetual Shares Total																					
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				In the alternative, will information of any of the direct shareholders representing Controlling interest, Affiliates or Ultimate Parent be acceptable? If yes, please confirm that details from the consolidated financial statements is preferred over information from just the parent company financial statements.	
24.		Instructions to Prospective Bidders	Qualification Documents/Section 3.1.6/ page 28 in relation to Annex QD-9(a) and QD-9A/pages 85-88	<p>In view of a partnership not having “shareholders,” “shares,” and “outstanding capital stock,” please see proposed rewording for BAC-PSA’s approval:</p> <p>Annex QD-9: From: (a) Commitment Letter from the relevant <u>shareholders</u> of the Bidder confirming their respective equity commitment for the amount of the Project Cost that will be funded through shareholders’ equity using the form in Annex QD-9A, and signed by the Chief Financial Officer, Treasurer or equivalent officer of the relevant shareholders of the Bidder;</p> <p>To: (a) Commitment Letter from the relevant <u>partners</u> of the Bidder confirming their respective equity commitment for the amount of the Project Cost that will be funded through shareholders’ equity using the form in Annex QD-9A, and signed by the Chief Financial Officer, Treasurer or equivalent officer of the relevant shareholders of the Bidder;</p> <p>Annex QD-9A: From: We own <u>(insert number of shares)</u>, representing approximately (insert percentage) of the <u>issued and outstanding capital stock</u> of the Company. We undertake to provide to the Company the amount of at least (insert amount), in the form of <u>equity or shareholder loans</u>, for the implementation of the Project.</p> <p>To: We own <u>(insert number of partnership interests)</u>, representing approximately (insert percentage) of the <u>partnership interest</u> of the Company. We undertake to provide to the Company the amount of at least (insert amount), in the form of <u>partner’s contributions or loans</u>, for the implementation of the Project.</p>	Yes, the Bidder’s requested edit will be allowed.

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25.		Instructions to Prospective Bidders	Annex QD-9B/ page 89	<p>Please confirm that the following wording is applicable in case there is no Debt Provider/Arranger:</p> <p>"On behalf of the [name] (the "Company"), we hereby state that the required Testimonial Letter from one or more debt providers or arrangers in the form attached as Annex QD-9B is not applicable to the Company, because the entire amount of the Project Cost will be funded through partner's contributions or loans should the Company be declared as the Winning Power Supplier."</p>	<p>Yes, the Bidder's requested edit will be allowed provided "or loans" should be deleted, to wit:</p> <p>"On behalf of the [name] (the "Company"), we hereby state that the required Testimonial Letter from one or more debt providers or arrangers in the form attached as Annex QD-9B is not applicable to the Company, because the entire amount of the Project Cost will be funded through partner's contributions or loans should the Company be declared as the Winning Power Supplier"</p>
26.		Annex TP-1	Section 3.2 Technical Proposal Annex TP-1 Page 28 and 90 of the IPB	<p>The requirement, "Proof that the Bidder or its direct shareholder representing Controlling interest is the developer of, owner of, and Controls, the Nominated Plant and has sufficient authority to enter into the offtake agreement with Meralco" under Annex TP-1 template is not found under Section 3.2 Technical Proposal. Should this be the first attachment of Annex TP-1?</p>	Yes, this is correct.
27.		Details of Project Execution	Section 3.2 Technical Proposal Annex TP-1 Page 29 and 93 of the IPB	<p>While requirement on information on Nominated Plant's key components and specific fuel is mentioned in Section 3.2 Technical Proposal paragraph (g), it is not included in the table provided under item 7 of Annex TP-1 template. Do we just add this information under General Information?</p>	Yes, this is correct.
28.		Technical Proposal	Section 3.2 paragraphs l to p Page 31 of the IPB.	<p>Can the following documents required to be submitted during post-qualification be certified by the corporate secretary and assistant corporate secretary of the Bidder?</p> <p>(i) Environmental Compliance Certificate issued by the Department of Environment and Natural Resources</p> <p>(ii) Grid Impact Study (GIS) / System Impact Study/ies (SIS)</p> <p>(iii) If applicable, 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)</p>	Yes, this will be allowed.

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				(iv) If applicable, Water Rights Permit/s issued by the National Water Resources Board (NWRB) and (v) If applicable, Certificate of registration issued by the Board of Investments?	
29.		Technical Proposal	Annex TP-1 Page 90 of the IPB	Please confirm that Bidder may use Annex QD 1-A as proof that the Bidder or its direct shareholder representing Controlling interest is the developer of, owner of, and Controls, the Nominated Plant and has sufficient authority to enter into the offtake agreement with Meralco.	Yes, this will be allowed.
30.		Instructions to Prospective Bidders Reference Plant and Comparable Plant	Sections 3.1 Qualification Documents and 3.2 Technical Proposal Page 23-30 of the IPB	To clarify, if one unit of the Nominated Plant is already in commercial operations, can such unit be used as the Reference Plant and the Comparable Plant for the other unit under construction?	Yes, provided the other requirements for the Reference Plant and Comparable Plant are also met (e.g. GCMR, proof of reliable commercial operation for 1 year - average forced outage factor that has not been above five percent (5%) and its average Unit equivalent availability factor has not been below 50% for the duration of the commercial operation period except in a year of a major planned overhaul)
31.		Section 3.1.4 of the IPB	Page 26 of the IPB	Can two Bidders have the same Reference Plant?	Yes.
32.		Instructions to Prospective Bidders / Reference Plant	Technical Proposal (Envelope 2) Page 14	Can the Reference Plant be the same as the Comparable Plant?	Yes, provided the other requirements for the Reference Plant and Comparable Plant are also met
33.		Invitation to Bid	Terms of Reference, page 4	f. If the Bidder shall use non-Renewable Energy (non-RE) source, the Bidder shall also submit a binding Guaranteed Net Plant Heat Rate ("GNPHR") Table (in Btu/kWh, HHV/GCV) showing its heat rate at different load factors (starting at 40% load factor up to 100% load factor, at 1% load factor intervals) for each Contract Year of the Required Contract Period. The GNPHR Table shall be used for each power plant generating unit/s and should adhere closely to the technical specifications of the power plant generating unit/s. COMMENT:	

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				Why use GNPHR value at 100% load factor for each Contract Year when intended supply is for Mid-merit purposes (clearly not at 100% load factor)?	The load factor, as stated in the PSA, shall be calculated according to the contract capacity, not the Plant capacity. This means, that during the Available Hours of the PSA, the contract capacity and the Plant is expected to be available, hence the 100% load factor assumption of the GNPHR.
34.		Invitation to Bid	Terms of Reference, page 5	<p>h. For evaluation purposes, the BAC-PSA shall use the historical value of the Bidder's Nominated Fuel Index/Indices for the period of April 2021 to March 2024, as inputted to the Bidder's submitted Fuel Formula, and the resulting fuel price shall be used. The corresponding submitted GNPHR value at 100% load factor for each Contract Year shall also be used. The resulting fuel cost by using the abovesaid fuel price and GNPHR shall be used for each Contract Year of the evaluation.</p> <p>COMMENT:</p> <p>Why use GNPHR value at 100% load factor for each Contract Year when intended supply is for Mid-merit purposes (clearly not at 100% load factor)?</p>	<p>The load factor, as stated in the PSA, shall be calculated according to the contract capacity, not the Plant capacity. This means, that during the Available Hours of the PSA, the contract capacity and the Plant is expected to be available, hence the 100% load factor assumption of the GNPHR.</p>
35.		Invitation to Bid	Terms of Reference, page 6	<ul style="list-style-type: none"> No Take-or-Pay on Variable Costs, which includes Variable O&M Fee and Fuel Cost <p>COMMENT:</p> <p>Why no "take-or-pay" when in other CSPs previously conducted by MERALCO for both Baseload and Mid-merit power requirements include commitments for a certain "take-or-pay) or a "minimum energy off-take" (such as 75% CUF for Baseload and 45% CUF for Mid-merit)</p>	<p>As relayed by the DU, in all CSPs of MERALCO for physical-type of PSAs conducted by MERALCO, it has always included the No Take-or-Pay provision in the TOR.</p>

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36.		Invitation to Bid	Terms of Reference, page 8	<div><div><ul style="list-style-type: none">If the Power Supplier cannot provide Replacement Power from any other source or WESM due to inadequate supply, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PHP908) multiplied by each affected MWh nomination by Meralco plus relevant transaction cost and applicable taxes, which shall be used to reduce the generation charge to the consumers.</div><div>COMMENT: We believe that "unavailability or inadequacy of supply" from the Plant, other sources or WESM" should already be considered as an Event of Force Majeure, thus Power supplier should not be penalized for such a circumstance. Clearly this is covered by this Force Majeure provision of the TOR:</div><div><div>Force Majeure</div><div><ul style="list-style-type: none">An Event of Force Majeure shall mean any circumstance not within the reasonable control, directly or indirectly, of the Party affected, but only and to the extent:<ul style="list-style-type: none">Such circumstance, despite the exercise of reasonable diligence, cannot be prevented, avoided, or removed by such Party; andSuch event prevents such Party from performing its obligations under the PSA.</div></div><div>Finally, in the previous Terms of CSPs as well as actual PSAs of MERALCO, a Power Supplier may already invoke Force Majeure when there is no available supply from the WESM.</div></div>	<p>As relayed by the DU. Meralco is not amenable with the proposal. The fine is in connection with the DOE's requirement to shield electricity customers from the impact of unavailability of supply.</p> <p>This provision contemplates a scenario where Power Supplier's Plant is on forced outage and its outage allowance days have already been fully utilized, but Power Supplier cannot source Replacement Power from the WESM due to inadequate supply to the grid/system. In such case, considering that Power Supplier has control over its Plant, it should be able to immediately address the cause of forced outage and at the same time, cover MERALCO's exposure due to unavailability of supply. Notably, the provision is intended for the benefit of customers, given that such fine "shall be used to reduce the generation charge to the consumers".</p> <p>Lastly, as relayed by the DU, neither MERALCO's previous terms in its CSPs not its PSAs provide that unavailability of supply from the WESM per se is an Event of Force Majeure.</p>
37.		Invitation to Bid	Terms of Reference, page 9	<div><div>Reduction in Contract Capacity</div><div>The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements.</div></div> <div>COMMENT:</div>	

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				<p>1. Finally, in the previous Terms of CSPs as well as actual PSAs of MERALCO, a Power Supplier may already invoke Force Majeure when there is no available supply from the WESM.</p> <p>2. Reduction in Contract Capacity by reason of implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements should be applied "pro-rata" to all other power suppliers of MERALCO and not simply on the Contract Capacity under this 400MW CSP.</p>	<p>1. The observation appears to be misplaced since provision pertains to Reduction in Contract Capacity. In any case, the observation of bidder is addressed in previous response.</p> <p>2. Upon consultation with the DU, MERALCO is not amenable to this proposal. The ERC CSP Guidelines does not require any such qualification. Rest assured, however, that reduction in contract capacity will be done in a manner consistent with MERALCO's least cost supply obligation to its captive customers, and subject to any ERC directive on the reduction in contract capacity provision of the PSA upon its approval.</p>
38.			Page 9 ITB TOR Reduction in Contract Capacity	<p>As for the Contract Capacity and Associated Energy that may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access (RCOA), the Renewable Energy Law, or other Laws and Legal Requirements.</p> <p>Will the contract capacity reduction of the EC from all its suppliers be proportionate? A valid reduction of contract capacity and/or contract energy shall be applied proportionately to all suppliers.</p>	<i>See immediately preceding response above.</i>
39.		TOR	Reduction in Contract Capacity	<p><i>The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements.</i></p> <p>What is the implication of a reduction in contract capacity to the PSA between Meralco and the Power Supplier? Shall notice be given in case of such reduction, or should this needs ERC approval?</p>	<p>Please refer to Sections 9.1 and 9.2 of the PSA Template on the parameters and process for adjustments in Contract Capacity and Associated Energy.</p> <p>As stated in Section 9.2: (a) Meralco shall cease to have any rights and obligations under this Agreement in respect of such Reduction in Contract Capacity and Associated Energy, (b) a written notice is to be provided by Meralco at least five (5) Days prior to the first Day of the next Billing Period to Power Supplier, specifying the Reduction in Contract Capacity and Associated Energy pursuant to Section 9.1, indicating when such reductions shall take place. The reduction shall not be subjected to ERC approval again since only the Contract Capacity and Associated Energy as well as the resulting reduction in Capacity Payment changed. All other terms and conditions of the PSA, as approved by the ERC, shall remain in full force and effect.</p>

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40.		Invitation to Bid	Terms of Reference, page 10	<p>Other Relevant Information</p> <ul style="list-style-type: none"> The Bidder's Headline Rate and LCOE Rate shall be computed and evaluated based on a plant capacity factor corresponding to the Bidder's submitted OA. <p>COMMENT:</p> <p>The Bidder's submitted OA should not be the only basis for the effective plant capacity factor computation and evaluation of the Headline Rate and LCOE but should likewise consider the limited intended utilization by MERALCO of the Contract Capacity as discussed above.</p>	Yes, utilization only during hours of availability was already considered in determining the PCF for evaluation.
41.		Invitation to Bid ("ITB")	General	Please confirm that any reference to Corporate Secretary is understood to include Assistant Corporate Secretary as an alternative?	Yes, provided that the Assistant Corporate Secretary certifying is the person named in the GIS.
42.		ITB	Required Contract Period	Why the contract period is for 15 years only ? Why not maximize the 20 years allowed under the ERC Resolution No. 16, series of 2023 ?	<p>The TOR's required contract period / duration was aligned with the DOE-approved 2024 PSPP of Meralco.</p> <p>Moreover, Sec. 13, Art. V of the ERC CSP Guidelines state that for Physical PSAs, the term of the PSA shall be for 15 years, unless the Nominated Plants in the CSP are renewable energy power plants (which is not the case for this Bidding).</p>
43.		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.
44.		ITB	Prompt Payment Discount	Please note that Prompt Payment Discount is not in the PSA template.	<p>This is noted. A provision on Prompt Payment Discount will be included in the PSA template as an addition under Section 9.2.1:</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 Power Supplier's billing, and (ii) Meralco is up to date with all its payment obligations under this Agreement."</p> <p>Please see Annex B of this Bid Bulletin No. 6 reflecting the amendment to the IPB.</p>
45.		Instructions to Prospective	Sections 3.1 and 3.2	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	Yes, this is correct.

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		Bidders ("IPB")	Annex TP-1 attachment (4)	<p>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 Nominated Plant as part of the Qualification Documents and Technical Proposal shall be deemed compliant under the IPB.</p> <p>Also and for this purpose, can the Bidder certify as true and correct these documents of the IPP?</p>	
46.		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?	There is no option like this provided in this Bidding.
47.		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 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 <u>latest</u> ERC-approved rate/s in its agreements with other off-takers 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 <u>latest</u> Energy Regulatory Commission-approved rate/s in the COMPANY's agreements with other off-takers for the same Nominated Plant."</p>	Yes, Annex QD-1B already provides for this clarification.
48.		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.

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49.		IPB	Section 3.1.4 / Page No. 26	<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 of similar technology to that of the Nominated Plant?</p>	<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 as the Reference Plant, if it chooses to do so - for as long as the Plant meets the other applicable requirements for the Reference Plant (e.g. 50% PFC, etc.).</p> <p>The Reference Plant can be of different technology than the Nominated Plant provided it meets the other applicable requirements for the Reference Plant (e.g. 50% PFC, etc.).</p>
50.		IPB	Section 3.1.4 / Page No. 26	<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 ("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 is of similar technology?</p>	<i>See immediately preceding response above.</i>
51.		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.
52.		IPB	3.1.6, Page 28	[Bidder] is currently the administrator of the output of the [X] Power Plant under an Independent Power Producer Administration Agreement with the Power Sector Assets and Liabilities Management Corp. since 2009 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??	The Bidder can submit a write-up that the requirement is not applicable to it because its Nominated Plant is already in commercial operation.
53.		Annex QD-9 Details of Project Cost and Proposed Financing Plan IPB	3.1.6	For Annex QD-9 and its required attachments (Annex QD-9A and Annex QD-9B), please confirm that Interested Bidders that will nominate existing plants that are already in commercial operations (i) no longer need to submit this requirement and (ii) shall only be required to submit an explanation or write-up of non-applicability of the requirement.	<i>See immediately preceding response above.</i>

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54.		ANNEXES	General	<p>For instances where if "a plant is already in commercial operation, certain requirements are not required" (ie. TP-1 item 15: If the Nominated Plant is already in commercial operation, items (3) to (14) above will not be required, instead, Bidder must submit the Nominated Plant's:)</p> <p>are we required to submit a letter/certification of non-applicability</p>	<i>See immediately preceding response above.</i>
55.		IPB Qualification Documents	Section 3.1.2(e), page 29 and 30	<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.
56.		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/assistant corporate secretary</i>) of (<i>name of owner of <u>or administrator of the capacity of the Nominated Plant</u></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</p>	Yes, this Bidder's request will be allowed.

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				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 (indicate CSP requirement as appearing on title/cover page of IPB) (“Project”); xxx”																					
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, and Controls, <i>or manages the capacity of</i>, the Nominated Plant and has sufficient authority to enter into the offtake agreement with Meralco;”</p> <p>For this requirement can [Bidder] 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, this Bidder’s request will be allowed.																				
58.		IPB	Annex TP-1/ Page 97	<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</td><td></td></tr><tr><td>- Fuel source/Plant technology</td><td></td></tr><tr><td>- Number of Units</td><td></td></tr><tr><td>- Gross capacity per Unit, MW</td><td></td></tr><tr><td>- Net capacity per Unit, MW</td><td></td></tr><tr><td>- 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																									
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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	Letter (d) Section 2, page 11	We suggest that a decrease of the Offered Contract Capacity be allowed as well to give allowance for unanticipated changes that could not have been foreseen even with earnest efforts during the Bid preparation period of the Bidders. “(d) An Interested Bidder may either increase or decrease xxx xxx”	No, this will not be allowed.						
60.		IPB	Section 2.2, last paragraph page 14	We submit that there should be no preference to the natural gas-fired power plant/ indigenous natural gas in case of a tie. The CSP should be fuel-neutral/technology-neutral as long as the Bidder is qualified under the Terms of Reference of this CSP. In case of a tie between or among Qualified Bidders having the lowest Bids or whose offers are considered the Marginal Bid Offer, the BAC-PSA shall give these bidders five (5) days to improve their Proposed Tariff by submitting a lower LCOE until the tie is broken, <i>provided</i> that in case two or more Qualified Bidders have equal LCOE Rates resulting in the lowest bid, the Bidder whose Nominated Power Plant is a natural gas-fired power plant, especially one using indigenous natural gas, shall be declared as having the Best Bid. Subsequent occurrences of a tie, if any, shall be resolved in the same manner until a winner is determined.	We are not amenable to the proposed change. This tie-breaker preference is MERALCO's way of complying with the DOE Advisory dated October 11, 2023, wherein power suppliers with natural-gas fired power plants are highly encouraged to participate in the Bidding and prioritize the use of indigenous natural gas.						
61.		Invitation to Bid	Fuel Formula, letter (iv) page 3	Can the Bidder provide evidence of (1) the actual cost incurred by third parties on these other non-fuel items for the same fuel type, OR (2) actual data based on recognized indices? Will Bidder be required to submit invoices supporting the actual costs incurred?	Bidder must submit the actual cost incurred on these other non-fuel items during the period April 2021 to March 2024. Bidders must submit invoices supporting the actual costs incurred						

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				(iv) Other non-fuel commodity costs that the Bidder wants to recover as part of its fuel price (e.g., freight cost and other fuel handling costs, insurance cost, fuel excise tax, etc.). Except for taxes, the Bidder must indicate the actual costs of the other non-fuel items for the period of April 2021 to March 2024, when available, for evaluation purposes. If such actual costs are not available, Bidder must provide a value that shall be binding to the Bidder, otherwise, the non-fuel commodity costs cannot be passed on to consumers upon implementation of the PSA, and	
62.		IPB	Section 2.10.2 (a) (ii), page 21	<p>Please confirm that Bidders who are Affiliates, or under similar control of the same Ultimate Parent are exempt from this criterion on Conflict of Interest. Please confirm also that said Affiliate Bidders can submit the same list of portfolio of plants.</p> <p>(ii) A Bidder's Nominated Plant or listed portfolio of plants is also a Nominated Plant or listed portfolio of plants of another Bidder in (x) this Bidding; or (y) another pending competitive selection process being conducted by Meralco, and the same (or overlapping) contract capacities are being offered such that if declared as Winning Power Supplier in both this Bidding and the other pending competitive selection process, it will result in a conflict with the Bidder's obligation in or resulting from this Bidding, in which case, both will be considered in Conflict of Interest; or</p>	<p>Yes, this correct, provided that any similar (or overlapping) contract capacities that are being offered such that if declared as Winning Power Supplier in both this Bidding and the other pending competitive selection process, it will NOT result in a conflict with the Bidder's obligation in or resulting from this Bidding.</p> <p>In short, as long as the Bidder's Offered Contract Capacities in both CSPs will not conflict with its obligations if both will be declared as the Best Bid in both CSPs (i.e. the Bidder's Nominated Plant has enough capacity to meet the Offered Contract Capacities for both CSPs).</p>
63.		IPB	Section 3.2 (n), page 31	<p>Please confirm that the Bidder (lessee) can submit the CNO issued in favor of the owner (lessor) of the lot covering the Nominated Plant's project site.</p> <p>(n) 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 must be submitted during Post-Qualification;</p>	<p>Yes, this will be allowed provided the lease contract is submitted as part of the evidence of land acquisition or possession (see Sec. 3.2. (c.)).</p>
64.		IPB	Section 3.2 (o), page 31	<p>Please confirm that Bidder is not required to submit the NWRB Water Permit if the Nominated Plant does not utilize hydropower technology.</p> <p>(o) 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 must be submitted during Post-Qualification;</p>	<p>Yes, the requirement says, "If applicable".</p>

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65.		IBP	ANNEX QD-7, Page 78	Please confirm if the Reference Plant can be taken as the whole Plant Station.	Yes, understanding is correct.
66.		IPB	ANNEX TP-1	Can the Bidder submit the existing unit on the Nominated Plant as the Comparable Plant with the same technology given that it have been engaged in reliable commercial operation for at least one (1) year	Yes, this is allowed.
67.		IPB	ANNEX TP-1	Please confirm that references to "installed capacity" mean "gross capacity" as well	Yes, understanding is correct.
68.		IPB	ANNEX TP-1	Can two Bidders have the same reference plant?	Yes.
69.		Nominated Index	TOR	<p>The ITB mentioned that pursuant to the DOE Advisory dated October 11, 2023, power suppliers with natural-gas fired power plants are highly encouraged to participate in the Bidding and prioritize the use of <u>indigenous natural gas</u>.</p> <p>Meralco is aware that the sole indigenous natural gas supply in the Philippines is from the Malampaya gas field which is indexed on US CPI and a basket of international oil prices, we suggest that BAC-PSA amend the fuel indexation portion of the TOR to accommodate fuel formula requirements of Malampaya (<i>i.e. allow indexation using US CPI and use of a basket of international oil prices</i>). More specifically, we would like to propose the following changes in the fuel indexation:</p> <ol style="list-style-type: none"> 1. US CPI to be part of the fuel escalation but shall NOT be counted as one of the Nominated Fuel Indices; 2. A basket of international oil prices shall be allowed for indigenous gas, which shall be considered as one (1) Nominated Fuel Index <p>Considering the proposed changes, if an Interested Bidder uses a mix of indigenous gas and LNG, then it will be allowed to use CPI plus two (2) Nominated Fuel Indices namely:</p> <ol style="list-style-type: none"> i. A basket of international oil prices for the indigenous gas portion; and ii. another Fuel index (e.g. Brent, Henry Hub or JKM) for the LNG portion. <p>Finally, we would like to propose that such use of the US CPI as part of the escalation shall also be evaluated using the historical value of the</p>	<p>The Bidders can include US CPI and/or PH CPI in the Fuel Formula and it shall not be counted as a Nominated Fuel Index (for the purpose of the maximum 2 Nominated Fuel Indices requirement of the ITB) subject to the following conditions: (i) the Bidder shall indicate and state in the Fuel Formula for each Contract Year (as inputted in the InputFuelFormula worksheet, cells C8 to Q8) the Base US CPI and/or PH CPI that will be used, and (ii) use the corresponding US CPI and/or PH CPI values for each Contract Year as seen in Assumptions worksheet as the value of the current CPI during evaluation (<i>i.e. current US/PH CPI divided by Base US/PH CPI</i>). This is to ensure that the effect of including and using US CPI and/or PH CPI in the Fuel Formula will be captured during evaluation.</p> <p>Since the above-mentioned changes were already allowed, the Bidder can indeed nominate any two (2) fuel indices, besides US CPI, as it deems fit.</p> <p>The use of the historical values for the period April 2021 to March 2024 during the evaluation of bids is only limited to the Nominated Indices and other non-fuel commodity costs in the Fuel Price Formula, as stated in the TOR and IPB. Since the use of US CPI in the Fuel Price Formula would not count as a Nominated Fuel Index, the Bidder must then use the assumed values of the US CPI as stated in the FEW. This is to ensure that all price</p>

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				US CPI for the period April 2021 to March 2024 to be consistent with the evaluation criteria of all other components in the Fuel Formula.	components of the Bidders that are escalated using US CPI shall be evaluated on equal footing.
70.		Guaranteed Net Plant Heat Rate ("GNPHR") TOR/ FEW	<u>TOR</u> Bid Price/Tariff Structure of the Contract Price Item (f) p. 4 <u>FEW:</u> Input_BaseV alues	May we request the BAC-PSA to define the Load Factor being referred to in the Financial Evaluation Workbook and TOR? Are the % Load Factors in the FEW and TOR based on the (i) Plant's Total Capacity OR (ii) the Contract Capacity to be offered by the Interested Bidders?	As stated in the PSA Template, the Load Factor is with respect to the Bidder's Offered Contract Capacity.
71.		Fuel Formula, TOR	Bid Price/ Tariff Structure of Contract Price p. 3	<p>The TOR states that the Fuel Formula shall be composed of:</p> <p>"xxx (iv) Other non-fuel commodity costs that the Bidder wants to recover as part of its fuel price (e.g., freight cost and other fuel handling costs, insurance cost, fuel excise tax, etc.). Except for taxes, the Bidder must indicate the actual costs of the other non-fuel items for the period of April 2021 to March 2024, when available, for evaluation purposes. If such actual costs are not available, Bidder must provide a value that shall be binding to the Bidder, otherwise, the non-fuel commodity costs cannot be passed on to consumers upon implementation of the PSA, and xxx"</p> <p>Please confirm that in the Fuel Formula that will be proposed, Bidder is only required to provide a description of non-fuel commodity cost that the Bidder wants to recover. During implementation, such non-fuel commodity cost shall be passed-through based on the <u>actual cost incurred</u> by the Bidder.</p>	<p>As stated in Section 3.3 (g) of the IPB, all non-fuel costs values that will be included in the Fuel Formula of the FEW should have supporting and source documents in order for the BAC-PSA to validate the provided values. Failure to provide these supporting documents shall make the submitted non-fuel costs values in the Fuel Formula of the FEW binding to the Bidder and shall serve as a cap during implementation (i.e. Bidder cannot pass-through the actual value of the non-fuel costs).</p> <p>Once the Bidder have included the actual values of these non-fuel costs for the period April 2021 to March 2024 in the Fuel Formula of the FEW (with supporting source documents), then it can be recovered as an actual pass-through cost during implementation. If such actual values are not available, Bidder must provide a value that shall be binding during implementation, otherwise, the non-fuel commodity costs cannot be passed on to consumers.</p>
72.		Non-Fuel Commodity Cost	Item (e) (iv) of the Bid Price/Tariff Structure of	"xxx (iv) Other non-fuel commodity costs that the Bidder wants to recover as part of its fuel price (e.g., freight cost and other fuel handling costs, insurance cost, fuel excise tax, etc.). Except for taxes, the Bidder must indicate the <u>actual costs of the other non-fuel</u>	

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		TOR/ITB	Contract Price, TOR	<p><u>items for the period of April 2021 to March 2024</u>, when available, for evaluation purposes. If such actual costs are not available, Bidder must provide a value that shall be binding to the Bidder, otherwise, the non-fuel commodity costs cannot be passed on to consumers upon implementation of the PSA, and xxx"</p> <p><u>Clarification</u></p> <p>A. If the Bidder starts to incur additional non-fuel commodity cost in 2023, can the Bidder provide the actual cost during this period in lieu of the requirement to provide non-fuel commodity cost from April 2021 to March 2024 for purposes of evaluation?</p> <p>B. Please confirm that such non-fuel commodity shall be passed-through during implementation provided that the Bidder submits documents supporting the actual non-fuel commodity cost incurred starting 2023.</p> <p>C. Please confirm that Bidders will be allowed to include the following items as part of the non-fuel cost in the Fuel Price Formula under Item (e) (iv) of the Bid Price/Tariff Structure of Contract Price Section of the TOR.</p> <ol style="list-style-type: none"> 1. Financing Cost 2. Hedging/Option Cost 3. Customs Duties 4. Fuel Testing 	<p>A. and B. Yes, option (1) or (2) shall be compliant for purposes of Item (iv) as long as the certified supporting documents are submitted.</p> <p>C. Yes, as long as the actual values of these non-fuel costs for the period April 2021 to March 2024 is included in the Fuel Formula of the FEW.</p>
73.		Technical Qualification IPB	3.1.4 (e)	May we suggest that the Certified True Copy of the WESM Registration Certificate and/or WESM Registration Information Sheet issued by IEMOP be accepted as an alternative document to support the Reference Plant's registration as a direct member of the WESM?	The request of this Bidder will be allowed.
74.		Technical Proposal IPB	3.2 (q) - 2	May we suggest that the Certified True Copy of the WESM Registration Certificate and/or WESM Registration Information Sheet issued by IEMOP be accepted as an alternative document to support the Interested Bidder's Nominated Plant's registration as a direct member of the WESM?	The request of this Bidder will be allowed.
75.		Marginal Plant	4.5.2	"If the resulting stack of Offered Contract Capacities goes beyond the required Contract Capacity (i.e., more than 400 MW), the Qualified Bidder's Marginal Bid Offer shall have its Offered Contract Capacity	<p>We are not amenable to the proposed change.</p> <p>The forfeiture of its Bid Security is a competition risk from the</p>

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		IPB		<p><i>reduced accordingly up to the extent of the required Contract Capacity at its Proposed Tariff. A Bidder with the Marginal Bid Offer and a candidate recipient of a Notification of Best Bid, which refuses to accept the reduction of its Offered Contract Capacity up to the extent of the required Contract Capacity at its Proposed Tariff, shall have its Bid Security forfeited equivalent to the proportionate percentage amount of the Bidder's Bid Security, based on the ratio of the required Contract Capacity that needs to be filled up (which the Bidder with the Marginal Bid Offer refused) to the Bidder's Offered Contract Capacity. For example, if the Marginal Bid Offer is for 100 MW but only 20 MW is needed to fill up the required Contract Capacity, Meralco shall draw on the entire amount of the Bid Security, retain twenty percent (20%) of its value, and return the balance to Bidder."</i></p> <p>The above seems unfair to the Bidder with the Marginal Bid Offer, who would also have considered the volume of its Offered Contract Capacity in developing its Proposed Tariff. This is especially true if, for example, Meralco will only get 20MW from the Bidder with the Marginal Bid Offer even if the Bidder's Offered Capacity is 400MW since its Proposed Tariff was likely developed on the basis of this Offered Capacity (i.e. Capacity Charge, FOM, fuel cost, etc.).</p> <p>Note that it is possible that a Bidder may consider to offer the entire plant capacity and bid at the most competitive price based on economies of scale. The economics, however, will not apply and may leave the bidder with tremendous losses if only a small portion of the capacity will be accepted as Marginal Bid Offer.</p> <p>We suggest that the Bidder with the Marginal Bid Offer and a candidate recipient of a Notification of Best Bid be allowed, at its option, to decide whether or not to accept or refuse the reduction of its Offered Contract Capacity up to the extent of the required Contract Capacity without having its Bid Security forfeited.</p>	<p>Bidders, that is why the forfeiture is made known beforehand. By reason of the Bidder's refusal and withdrawing its offer because its bid was deemed a Marginal Bid Offer, the DU is suddenly exposed to the risk of lack of supply or delay (if another CSP is needed to be conducted to fill up that capacity withdrawn by the said bidder). This forfeiture of the Bid Security tries to mitigate this risk exposure, while at the same time serving as a deterrent for Bidders to game the bidding process for whatever reason.</p> <p>Notably, as per the IPB [Section 2.2(e)], the "xxx Bid Security forfeited equivalent to the proportionate percentage amount of the Bidder's Bid Security, based on the ratio of the required Contract Capacity that needs to be filled up (which the Bidder with the Marginal Bid Offer refused) to the Bidder's Offered Contract Capacity. For example, if the Marginal Bid Offer is for 100 MW but only 20 MW is needed to fill up the required Contract Capacity, Meralco shall draw on the entire amount of the Bid Security, retain twenty percent (20%) of its value, and return the balance to Bidder.</p>
76.		IPB	Section 3.1.4 (a)	<p>"(a) The Bidder, whether directly or through any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent must submit: (i) list of projects undertaken over the last ten (10) years; (ii) list of electricity generation plants that it has operated for the last five (5) years; OR (iii) proof /documentation of track record for the last five (5) years of power plants operated by it;</p>	Yes, this is correct.

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				Kindly confirm our understanding that the Interested Bidder may opt to submit ANY ONE of the listed documents to satisfy this requirement. For clarity, if Bidder chooses to submit (ii), Bidder is not required to submit (i) and (iii) anymore.	
77.		Annex QD-4 SWORN ATTESTATION OF NO CONFLICT OF INTEREST	Par. 2 of Item No. 2	<p><i>"It does not have any existing, potential, or future conflict of interest with MERALCO's Bids and Awards Committee for the conduct of the CSP (the "BAC-PSA"), such that no existing, potential or future member of the governing Board, officers or management of the Bidder is a relative of a person within the fourth (4th) civil degree of consanguinity or affinity of a member of Meralco's BAC-PSA, its TWG, and its Secretariat."</i></p> <p>In relation to the above statement in Annex QD-4, may we request for the list of the members of the BAC-PSA, TWG and Secretariat?</p>	<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>
78.		Annex A to Annex QD-6	Instructions to Prospective Bidders ("IPB"), page 74.	<p>The template of Annex A of Annex QD-6 provides a table where the Bidder must identify its and its Affiliates' financial lenders, specifically: (i) the name of the bidder/Affiliate concerned, (ii) the name of the financial lender, (iii) the name of the project/contract, and (iv) execution date.</p> <p>Please confirm whether:</p> <ol style="list-style-type: none"> item (iii) above refers to <u>loan contract itself</u> or the <u>project to which the loan refers</u>; and item (iv) refers to <u>the execution date of the loan contract</u> or of the <u>project to which the loan refers</u>. 	Yes, this understanding is correct.
79.		Annex QD-8 currency and explanation	IPB, pages 82 to 84 IPB, Section 2(g), page 9	<p>The Interested Bidder's functional currency in its audited financial statements is the USD.</p> <ol style="list-style-type: none"> Please confirm that the Bidder can indicate amounts in Annex QD-8 (a) in USD as provided in its audited financial statements, (b) in PHP using the historical Philippine Peso-US Dollar rates at the relevant transaction dates, and (c) with an explanation on the conversion. 	<p>The functional currency different from PHP is not an issue, as long as this is clearly disclosed.</p> <p>On item 1 (a) – Yes, the Bidder can indicate that the amounts are in USD.</p> <p>On item 1 (b) – The BAC-PSA will use the relevant historical USD-PHP rate in assessing based on the reporting period of the data provided.</p>

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				<p>2. Please also confirm whether the Bidder can add a footnote to explain that the amount indicated as paid-in capital for preferred shares is net of treasury shares.</p>	<p>On item 1 (c) – The explanation provided will be helpful to validate data provided if there will be difference in evaluation.</p> <p>On Item 2 – Yes, the Bidder can add footnotes for further explanation/description.</p>
80.		Bid Bulletin 2/Audited Financial Statements	IPB Section 3.1.5 (a)	We would like to confirm if a stand-alone financial statement will suffice if the Interested Bidder is not a subsidiary of any of its shareholders.	[The] Bidder has the option to choose whether it will submit either its AFS or its Parent/Partners' AFS, as long as the financial statements submitted is the one indicated in the Statement of Financial Capability (Annex QD-8) and, most importantly, shows an Unrestricted Net Worth equivalent to Seven Million Pesos (PhP7,000,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity [or if the Nominated Plant is not yet in commercial operations, 30% of the Project Cost].
81.		Audited Financial Statements	IPB, Section 3.1.5(a)	<p>The IPB requires the Bidder to submit a "<i>copy of audited (parent and consolidated, <u>if applicable</u>) financial statements of the Interested Bidder or any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent for the last three (3) years xxx.</i>"</p> <p>The Interested Bidder has its own separate annual audited financial statements ("<u>AFS</u>"). Its financial figures are also included in its parent's consolidated AFS.</p> <p>Please advise whether the Interested Bidder should submit: (i) its own AFS for the last 3 years; (ii) its parent's consolidated AFS for the last 3 years; or (iii) both (i) and (ii).</p>	<p><i>See immediately preceding response above.</i></p> <p>In addition, the requirement pertains to the copy of the audited and closed parent and consolidated, if applicable, financial statements, of the interested bidder. The consolidated financial statements are applicable only for companies who prepare and file consolidated financial statements to the SEC.</p> <p>If a company has subsidiaries or, for example, is a publicly listed company, they are required to file consolidated financial statements. If that is the case, then the interested bidder should submit both parent and consolidated financial statements. But if the company is not required to prepare any consolidated financial statement, then the parent or standalone financial statement will suffice the requirement.</p>
82.		Quarterly FS	IPB, Section 3.1.5(b)	The Interested Bidder is not a public company and therefore is not required to prepare quarterly FS. While its parent is a public company and regularly prepares consolidated quarterly FS and has them for the first quarter of 2024. In lieu of the requirement under IPB Section 3.1.5(b), can the Bidder submit its parent's quarterly consolidated FS for the first quarter of 2024 instead?	<p><i>See immediately preceding response above.</i></p> <p><i>If the Bidder will opt to send its standalone audited FS above, then the Bidder should be able to provide unaudited FS as of 1st Quarter of 2024 (at very least will consist of Balance Sheet, Income Statement, Cashflow Statement).</i></p> <p>The latest quarterly financial statements that will be submitted should be consistent with the audited financial statements used in the preparation of Annex QD-8 Statement of Financial Capability.</p>

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83.		Bid Security	IPB Section 3.3 (b)	Please confirm that the prescribed amount of the Bid Security in the IPB is only the minimum acceptable level; and Meralco and/or BAC will allow bidders to submit Bid Security higher than the prescribed amount.	As stated in the Financial Evaluation Workbook's Bid Security Worksheet, "the submitted Bid Security (and later on the Performance Bond) must be at least equal to the amount [shown therein]. " 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.
84.		IPB	IPB Annex TP-1 Technical Proposal	Annex TP-1 Technical Proposal provides that Interested Bidders must submit the following: <i>"Proof that the Bidder or its direct shareholder representing Controlling interest is the developer of, owner of, and Controls, the Nominated Plant and has sufficient authority to enter into the offtake agreement with Meralco."</i> Please confirm that the following documents shall be sufficient to comply with the above requirement: 1. Annex QD-1A: AUTHORITY TO PARTICIPATE IN THE BIDDING AND DESIGNATION OF AUTHORIZED REPRESENTATIVE; and, ERC Certificate of Compliance/ Provisional Authority to Operate	Yes, this is correct.
85.		Financial Lenders IPB	Annex A of Annex QD-6	In the event that (i) the Interested Bidder and/or its Affiliates engaged in power generation, which have off-take agreement with Meralco and/or affiliates, have multiple lenders, and, that (ii) NONE of its loan agreements and/or financing documents with such lenders are directly connected to or have purposes for the implementation of the offtake agreement or project with Meralco and/or its Affiliates (listed in Schedule 2 of the IPB), please confirm that the names of such financial lenders NEED NOT be disclosed in Annex A of Annex QD-6.	Yes, this is correct.
86.		Bid Security Template	Bid Security Template	In the Bid Security Template (Annex Bid-2), may we confirm that the "Place" below shall contain the Name and/or Address of the Issuer of the bid security? =====	Yes, this is correct, the Place of Issuance.
				Manila Electric Company	

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90.		IPB	IPB Sec. 3.1.4 (b) & (c)	<p>"(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 150 MW (AC, net) installed capacity (firm, dispatchable and has attained a simple monthly average of at least 50% plant capacity factor ("PCF") over a 3-month consecutive period of operations) ("Reference Plant"), whether in the Philippines or elsewhere</p> <p>(c) In respect of any Reference Plant, proof that the Reference Plant is capable of generation of electricity of at least 150 MW (AC, net), which must be supported by an official document [GCMR] of the Bidder's Reference Power Plant as submitted by the Bidder to the ERC, showing that it attained a simple monthly average of at least 50% PCF over a 3-month consecutive period of operations within the most recent forty- two (42) month period of operations, certified as a true copy by the corporate secretary, in which case it must be under oath and notarized. If the Reference Plant is located outside of the Philippines, the Bidder must provide any equivalent or similar official document like the GCMR which is submitted to or issued by that foreign country's regulatory body or agency, and such document must be certified as a true copy by the corporate secretary, in which case it must be under oath and notarized;"</p> <p>May we confirm that the Generation Company Management Reports of the Reference Plant are sufficient to comply with both IPB Sec. 3.1.4 (b) and (c)?</p>	<p>For item (b), the COC/PAO with the Reference Plant's owner, developer, manager, administrator, or operator will suffice.</p> <p>For item (c), yes, the GCMR of the Reference Plant will suffice.</p>
91.		Attachments to Annex QD-7 IPB	IPB Section 3.1.4 (c) to (f) and (h)	May we confirm that the assistant corporate secretary, as an alternative to the corporate secretary, can also certify the documents required under IPB 3.1.4 (c) to (f) and (h) as true copies?	Yes, this will be allowed, provided that the certifying Assistant Corporate Secretary is named in the GIS.
92.		Attachments to Annex TP-1 not applicable to Plants in Commercial Operations	Annex TP-1 IPB Section 3.2	1. May we confirm if Bidders with nominated plants in commercial operations need to submit the BOI Certificate of Registration (<i>Item 14 in Annex TP-1 and Item (p) in Section 3.2</i>), if available? Based on Annex TP-1, plants in commercial operation are not required to submit the Items 1 to 14. However, in Section 3.2 (q) this document is not included in the list of Not Applicable Documents.	<p>If the Nominated Plant is already in commercial operations, the BOI Certificate of Registration is not required to be submitted. The details of project execution (Sec. 3.2 [g]) is also not required.</p> <p>However, Annex TP-2 (Performance Guarantees) will still be required. Thus, the Bid Requirements and Sec. 3.2 (q) will be amended to read as follows:</p>

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		IPB		May we confirm that Annex TP-2, which is discussed and required under IPB Section 3.2 (h) and (i) are requirements not applicable to plants in commercial operations based on the list provided in IPB 3.2 (q)?	<p>“(q) If the Nominated Plant is already in commercial operation, items (b) to (o) above will not be required, instead, Bidder must <u>submit a certified statement that the Nominated Plant is capable of operating consistent with the Performance Guarantees in Annex TP-2</u> and the Nominated Plant’s:</p> <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 as a certified true copy by (i) the ERC; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;</p> <p>2. Registration as a direct member of the WESM and a copy of its Market Participation Agreement for the Nominated Plant, which shall be certified as a true copy by (i) the PEMC and/or IEMOP; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized, must be submitted;</p> <p>3. Fuel Supply Agreement, if available, otherwise a Fuel Procurement Plan containing a narrative description of strategies and plans for ensuring long-term availability of fuel and regulatory compliance on fuel inventory and specification, which shall be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized; and</p> <p>3. Valid Transmission Service Agreement (TSA) or, if embedded, a Distribution Wheeling Service Agreement (DWSA), which shall be duly certified by the National Grid Corporation of the Philippines (NGCP) or applicable distribution utility, or the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized.”</p> <p>Please see Annex B of this Bid Bulletin No. 6 reflecting the amendment to the Bid Requirements and IPB.</p>

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93.		Nominated Fuel Supporting Documents IPB	IPB Section 3.3 (f) p. 33	<p><i>"(f) Hard copy of the supporting or source documents to validate that the provided actual monthly values of the Bidder's chosen Nominated Fuel Index/Indices for the period April 2021 to March 2024 monthly figures are the actual values of the Nominated Fuel Index/Indices as released by their respective publishers, and,XXX"</i></p> <p>Please confirm that any of the following can be submitted as supporting or source documents:</p> <ol style="list-style-type: none"> 1. Printouts of the downloaded excel files from the publishers' platform containing daily historical data of Nominated Fuel/Fuel Indices, or 2. Printouts of the downloaded excel files from the publishers' platform containing monthly historical data of Nominated Fuel/Fuel Indices 	<p>Yes, it is allowed as long as it is certified either by the publisher or by the bidder and converted into monthly data.</p> <p>Yes, it is allowed as long as it is certified either by the publisher or by the bidder.</p>
94.		Non-Fuel Commodity Cost Supporting Documents IPB	IPB Section 3.3 (g) p. 33	<p><i>" (g) Hard copy of the supporting or source documents to validate that the provided actual values of the non-fuel commodity costs in the Fuel Formula is for the period of April 2021 to March 2024, if applicable"</i></p> <p>Please confirm that any of the following may also be submitted as supporting or source documents:</p> <ol style="list-style-type: none"> 1. Printouts of the downloaded excel files from the publishers' platform containing daily historical data of actual values of non-fuel commodity costs in the Fuel Formula 2. Printouts of the downloaded excel files from the publishers' platform containing monthly historical data of actual values of non-fuel commodity costs in the Fuel Formula 	<p>Yes, it is allowed as long as it is certified either by the publisher or by the bidder and converted into monthly data.</p> <p>Yes, it is allowed as long as it is certified either by the publisher or by the bidder.</p>

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95.		ITB	Bid Price/ Tariff Structure of the Contract Price	<p>"Separate line item proposal for annual Line Rental cap, which shall not exceed Php 0.3000/kWh and shall be applied on a monthly basis during the Required Contract Period."</p> <p>How will the Annual Line Rental Cap be applied during the implementation? May we ask the BAC PSA to explain this further?</p>	The line rental cap is a provision to protect MERALCO's consumers from volatile line rental costs. If the actual line rental cost of Power Supplier exceeds its line rental cap, then MERALCO shall only pay the line rental amount up to the line rental cap. It shall be applied on a monthly basis. A detailed explanation can be seen in Appendix E of the PSA.
96.		Financial Evaluation Workbook	Guaranteed Net Plant Heat Rate Table	<p>1. May we confirm that Bidders that will nominate capacities from natural gas plants are not required to input any value or can leave the cells blank for 40% to 49% Load Factors?</p> <p>Kindly confirm that for such Bidders, the submission of worksheets showing #VALUE for cells that correspond to or are related to Load Factors from 40% - 49% will be acceptable to BAC/MERALCO.</p>	Yes, understanding is correct.
97.		Invitation to Bid	Terms of Reference, page 2	<p>Bid Price/Tariff Structure of Contract Price</p> <ul style="list-style-type: none"> Two-part Tariff consisting of Fixed and Variable Costs (inclusive of separate line item proposal for Line Rental cap) shall comply with the following requirements: <ul style="list-style-type: none"> a. Capital Recovery Fee component of the Tariff should be fixed for the Required Contract Period and in Php/kW-year; <i>provided that</i>, Bidder: (i) shall not offer Capital Recovery Fee higher than the latest ERC-approved rate/s in its agreements with other offtakers for the same Plant, and (ii) shall submit an undertaking to that effect. <p>COMMENT:</p> <p>This 400MW CSP is for Mid-merit supply. Capital Recovery Fee (CRF) in most, if not, all PSAs, is designed with due consideration of the BUYER's intended capacity utilization factor with respect to Contract Capacity. Thus, it might be unfair for a Bidder to be limited to offer CRF not higher than the latest ERC-approved CRF when such ERC-approved CRF is not for a similar Mid-merit supply but rather a baseload supply requiring 24-hour availability. MERALCO's intended utilization of the Contract Capacity is only 15 hours during Mondays-Saturdays (9am to 12 midnight) and only 10 hours during Sundays (2pm to 12 midnight).</p> <p>This CSP bidding requirement is not among the limitations and/or pricing requirements for CSPs under the existing ERC and DOE CSP</p>	<p>This is a requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta in MERALCO's two recent CSPs held early this year, 2024.</p> <p>Thus, the Bidder is the one in a position to determine what is the latest ERC-approved rate for its PSAs. The Bidder is the one obligated or responsible to ensure the accuracy of its representation for the ERC's evaluation of the Sworn Attestation. If deemed the Winning Power Supplier and after ERC evaluation of the winning PSA's application for approval the ERC rules otherwise or finds the Bidder's/Winning Power Supplier's Sworn Attestation as false and, as direct result thereof, directs for disallowances on the price offer of the Bidder/Winning Power Supplier, the said disallowance will not be considered a ground for non-acceptance by the Winning Power Supplier of the ERC Approval (as defined and provided in the PSA template).</p> <p>However, given the concerns raised by several bidders already in the recent CSPs of MERALCO, including this Bidding, after said requirement was implemented by MERALCO following the recommendation of the ERC Chair, necessary improvements or amendments to this requirement must be made – particularly, in order to aid the BAC-PSA and ERC in its evaluation of the Bidder's Sworn Attestation, the Bidders shall now be required to give more information in its determination / undertaking that its offered</p>

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				Rules/Policies/Guidelines, so why is MERALCO requiring this from the Bidders?	<p>Capital Recovery Fee (CRF) is not higher than the latest ERC-approved CRF in its agreements with other offtakers:</p> <p>As such, Annex QD-1B of the IPB will be amended to read as follows:</p> <p style="text-align: center;">“ANNEX QD-1B</p> <p>xxx</p> <p style="text-align: center;"><u>SWORN ATTESTATION ON THE CAPITAL RECOVERY FEE OFFER</u></p> <p>I, <i>(name)</i>, <i>(citizenship)</i>, of legal age, with office address at <i>(address)</i>, as the <i>(position/designation)</i> and duly authorized representative of <i>(insert name of the Bidder)</i> (the “COMPANY”), a <i>(corporation/partnership)</i> organized existing under and by virtue of the laws of the Republic of the Philippines, after having been duly sworn to in accordance with law, depose and state that:</p> <ol style="list-style-type: none">1. The COMPANY is a prospective Bidder for MERALCO’s Competitive Selection Process for its <i>(capacity)</i> MW power supply requirement (the “CSP”);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 latest Energy Regulatory Commission <u>(ERC)</u>-approved rate/s’ Capital Recovery Fee <u>(CRF)</u> in the COMPANY’s agreements with other off-takers for the same Nominated Plant. <u>The details of the CRF in the Company’s latest ERC-approved rate are as follows:</u> <table><tr><th><u>Offtaker</u></th><th><u>ERC Case No.</u></th><th><u>Date approved (Provisional, Interim or Final Approval)</u></th><th><u>CRF</u></th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	<u>Offtaker</u>	<u>ERC Case No.</u>	<u>Date approved (Provisional, Interim or Final Approval)</u>	<u>CRF</u>				
<u>Offtaker</u>	<u>ERC Case No.</u>	<u>Date approved (Provisional, Interim or Final Approval)</u>	<u>CRF</u>										

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					<table><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table> <p>3. I am executing this Sworn Undertaking to attest to the truth of the foregoing and for whatever purpose it may serve.</p> <p>(Date and Place of Execution.)</p> <p>By:</p> <p>xxx xxx xxx"</p> <p>Please see Annex B of this Bid Bulletin No. 6 reflecting the amendment to the IPB.</p>								
98.		TOR	Capacity Recovery Fee TOR p. 2	<p><u>TOR:</u></p> <p>"a. Capital Recovery Fee component of the Tariff should be fixed for the Required Contract Period and in Php/kW-year; provided that, Bidder: <u>(i) shall not offer Capital Recovery Fee higher than the latest ERC-approved rate/s in its agreements with other offtakers for the same Plant,</u> and (ii) shall submit an undertaking to that effect."</p> <p>1. May we confirm our understanding that the "agreements with other off-takers for the same Plant" refer to <u>live contracts of the Interested Bidder from Operations Execution Date and for the duration of the PSA?</u></p> <p>2. May we confirm our understanding that "<u>other off-takers for the same Plant</u>" include electric cooperatives and/or distribution utilities except for MERALCO?</p> <p>3. If so, may we confirm our understanding that in the event that the Interested Bidder has no other live contract starting September 2025, and previous offtake contracts are only those with MERALCO, capacity recovery fee shall not be capped using the latest ERC-approved rate/s?</p>	<p><i>See immediately preceding response above.</i></p> <p>The Bidder is the one in a position to determine what is the latest ERC-approved rate for its PSAs, or whether it will include those with DUs other than MERALCO.</p> <p>The Bidder is the one obligated or responsible to ensure the accuracy of its representation for the ERC's evaluation of the Sworn Attestation. If deemed the Winning Power Supplier and after ERC evaluation of the winning PSA's application for approval the ERC rules otherwise or finds the Bidder's/Winning Power Supplier's Sworn Attestation as false and, as direct result thereof, directs for disallowances on the price offer of the Bidder/Winning Power Supplier, the said disallowance will not be considered a ground for non-acceptance by the Winning Power Supplier of the ERC Approval (as defined and provided in the PSA template).</p>								

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99.			Page 2 TOR Price/Tariff Structure of Contract price	<p>a. CRF - (i) shall not offer Capital Recovery Fee higher than the latest ERC-approved rate/s in its agreements with other offtakers for the same Plant – propose to include the plant capacity (CRF rate differs on the capacity as well, not only with the technology)</p> <p>b. Interconnection Fees should be composed of the following: - clarify with Legal if same the term acquisition comes with the same meaning as fully reimbursed to the supplier</p> <p>c. If the Bidder shall use non-Renewable Energy (non-RE) source, the Bidder shall also submit a binding Guaranteed Net Plant Heat Rate ("GNPHR") Table (in Btu/kWh, HHV/GCV) showing its heat rate at different load factors (starting at 40% load factor up to 100% load factor, at 1% load factor intervals) - for clarification on the term "load factor" for assessment of plant capacity the term should be referred as "capacity factor"</p> <p>d. No Take-or-Pay on Variable Costs, which includes Variable O&M Fee and Fuel Cost – can we provide an alternate offer of the minimum stable loading capacity of the plant?</p> <p>e. Separate line item for annual Line Rental cap, which shall not exceed Php 0.3000/kWh and shall be applied on a monthly basis during the Required Contract Period – can we request for the details of this provision on how they came up with the annual Line Rental Cap</p>	<p>a. <i>See immediately preceding response above.</i></p> <p>The Bidder is the one in a position to determine what is the latest ERC-approved rate for its PSAs, or whether it will include those with DUs other than MERALCO.</p> <p>The Bidder is the one obligated or responsible to ensure the accuracy of its representation for the ERC's evaluation of the Sworn Attestation. If deemed the Winning Power Supplier and after ERC evaluation of the winning PSA's application for approval the ERC rules otherwise or finds the Bidder's/Winning Power Supplier's Sworn Attestation as false and, as direct result thereof, directs for disallowances on the price offer of the Bidder/Winning Power Supplier, the said disallowance will not be considered a ground for non-acceptance by the Winning Power Supplier of the ERC Approval (as defined and provided in the PSA template).</p> <p>b. For the Bidder to clarify if this was an internal comment or for the BAC-PSA to address.</p> <p>c. Load factor shall be computed in accordance with the formula stated in the PSA</p> <p>d. Bidder can indicate in its Plant specifications and Performance Guarantees the minimum stable loading capacity of its Plant.</p> <p>e. The line rental cap is a provision to protect MERALCO's consumers from volatile line rental costs. If the actual line rental cost of Power Supplier exceeds its line rental cap, then MERALCO shall only pay the line rental amount up to the line rental cap. It shall be applied on a monthly basis. A detailed explanation can be seen in Appendix E of the PSA.</p>
100.		IPB	Sec. 2 Bidding	For changes/deviations in required wordings of Annexes, is there a notice period to bring prior request to BAC-PSA?	As the Bid Requirements and IPB state, as amended by Bid Bulletin No. 3 and no. 5: "(c) Bidders will then have until 4:00 P.M. of 5 September 2024 within which to submit written queries, or requests for clarifications or revisions to the Bidding Documents."

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101.		IPB	Sec. 2 Bidding	For certification pages, who must certify the truthfulness and correctness of a copy?	<p>It is indicated in the particular documentary requirement. For example, to submit the required Transmission Service Agreement (TSA) or, if embedded, a Distribution Wheeling Service Agreement (DWSA), it shall be duly certified by the National Grid Corporation of the Philippines (NGCP) or applicable distribution utility, or the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized.</p> <p>If the documentary requirement does not indicate, the Bidder's authorized representative or corporate secretary/assistant corporate secretary will be the one to certify the truthfulness and correctness of a copy.</p>
102.		IPB	2.4 Costs and Expenses	What is the definition of an "Independent Engineer"? Who will determine the Independent Engineer to be engaged?	<p>The Independent Engineer ("IE") is a person or entity independent of, and is free from any conflict of interest with, any of the participating Bidders.</p> <p>The IE 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. Since the Independent Engineer serves as an advisor to the BAC-PSA, it is the latter that shall decide on who shall be engaged as an Independent Engineer.</p>
103.		IPB	General Query	If the nominated authorized representatives are not available or incapacitated, what options may the bidder take to have itself represented?	<p>As provided in the EOI:</p> <p>"The Bidder may change any of its contact person(s)/authorized representative(s) at least five (5) days prior to the Pre-Bid Conference, Bid Submission Deadline, and/or Opening of Bids by the submitting a new verified Expression of Interest stating the name(s) and email address(es) of the newly designated contact person(s)/authorized representative(s)."</p>
104.		IPB	2.10.4 Grounds for Disqualification	Please differentiate material misrepresentation from wilful misrepresentation.	There is a "material misrepresentation" when the omission, fabrication, or concealment is on, or relates to, any material fact, which if known to the BAC-PSA, could have altered or changed the basis of its evaluation of the Bid Submissions, or which would have mislead or deceive the BAC-PSA in its evaluation of the Bid Submissions.

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					"Willful misrepresentation" on the other hand connotes a deliberate, intentional, fraudulent, or premeditated act or omission in hiding, concealing, or fabricating any fact, regardless of whether or not that fact is material.
105.		IPB	3.3 Bid Price and Bid Security	What form should the bid security take – cash, check, or surety etc.?	Sec. 3.3 (b) of the IPB reads: "(b) Bid Security, equivalent to three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Interested Bidder, in the form of a managers check or an irrevocable standby letter of credit , which must be issued by one or more universal or commercial banks and using the template in Annex BID-2 (without modification). This Bid Security requirement may be complied with by the Interested Bidder directly, or, provided the Bid Security format in the IPB is followed, through any of its direct shareholders representing Controlling interest, Affiliates, or Ultimate Parent;"
106.		IPB	3.3.3 Return Cancellation of Bid Security	<i>The Bid Security of the Winning Power Supplier shall be retained by Meralco until replacement thereof with a Performance Bond. The Winning Power Supplier must extend the validity of the Bid Security without need of demand from Meralco, no later than fifteen (15) days prior to its expiration, to ensure that it remains valid until replaced by a Performance Bond. In the alternative, if the Bid Security is still valid for more than 15 days, the Winning Power Supplier may notify Meralco that its Bid Security be deemed the Performance Bond.</i> How long must the validity of the Bid Security be extended?	It is up to the discretion of the Bidder provided that it continues to ensure that the Bid Security remains valid / renewed no later than 15 days prior to its expiration.
107.		IPB	3.2 (q) 3 Technical Proposal	Will the BAC permit the submission of a redacted fuel supply agreement?	The Bidder may redact the provisions it deems confidential in nature , except for the provisions that would allow the BAC-PSA enough 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). If a redacted information prevents the BAC-PSA / its TWG from properly performing an evaluation of a document or requirement, the Bidder should provide the information within the period directed by the BAC-PSA. Failure of which, the Bidders' submission will be deemed incomplete and non-compliant.

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108.		TOR	Bid Price/ Tariff Structure Contract Price	<p>Two-part Tariff consisting of Fixed and Variable Costs (inclusive of separate line item proposal for Line Rental cap) shall comply with the following requirements:</p> <p>a. Capital Recovery Fee component of the Tariff should be fixed for the Required Contract Period and in PhP/kW-year; provided that, Bidder: (i) shall not offer Capital Recovery Fee higher than the latest ERC-approved rate/s in its agreements with other offtakers for the same Plant, and (ii) shall submit an undertaking to that effect.</p> <p>b. Interconnection Fees should be composed of the following: (i) Interconnection Facilities Capacity Fee component should be fixed for the Required Contract Period and in PhP/kW-year. (ii) Interconnection Facilities Fixed O&M Fee component can be fixed, escalated, or a combination of both for the Required Contract Period, and shall be in PhP/kW- year.</p> <p>Provided that, during implementation of the PSA, if the Interconnection Facilities have been acquired by, and/or the operations and maintenance have been turned over to, Transmission Network Provider (TNP), the Interconnection Facilities Capacity Fee and/or Interconnection Facilities Fixed O&M Fee shall be carved out by Power Supplier, as applicable, from the Contract Price; Provided further that, any donation of the Interconnection Facilities to TNP shall require prior consent of MERALCO and ERC approval.</p> <p>c. <i>Fixed O&M Fee component can be fixed, escalated, or a combination of both for the Required Contract Period, and shall be in USD/kW-year and/or PhP/kW-year.</i></p> <p>d. <i>Variable O&M Fee component can be fixed, escalated, or a combination of both for the Required Contract Period, and shall be in USD/kWh and/or PhP/kWh.</i></p> <p>In terms of USD to PHP Conversion, at what date of exchange rate should the reference be?</p>	<p>During evaluation and as indicated in the FEW, the forex rate for 24 June 2024 (as stated in https://www.bsp.gov.ph/statistics/external/day99_data.aspx) shall be used.</p>
109.		TOR	Supply and Replacement Power	Up to what period must the Power Supplier procure replacement power in case of outage?	During Scheduled Outages that exceed the Full Load Equivalent Scheduled Outage Allowance Days and Forced Outages that exceed the Full Load Equivalent Forced Outage Allowance Days, Power Supplier shall purchase Replacement Power until the last

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					day of the relevant Contract Year. Power Supplier will only be eligible for a new Scheduled Outage Allowance and Forced Outage Allowance at the beginning of each Contract Year.
110.		TOR	Force Majeure	Must there be written notice of an FM event?	Yes, please see Section 15.6 of the PSA template.
111.		TOR	Grounds for Termination	Up to what period shall it be considered that the OED is non-occurring?	Please see Sec. 16.6.2 of the PSA template.
112.		TOR	General Query	<p>Furthermore, in order to become an Interested Bidder and obtain a copy of the Bidding Documents, payment by cash, manager's check deposit, or online fund transfer of a non-refundable fee of the higher between Two Million Five Hundred Thousand Pesos (PHP2,500,000.00) and Twelve Thousand Pesos (PHP12,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity, inclusive of VAT and net of creditable withholding tax ("Participation Fee"), which must also be made no later than the Expression of Interest Deadline. The Participation Fee is subject to twelve percent (12%) VAT, <i>unless valid proof of VAT zero-rating or exemption is provided, subject to Meralco's evaluation and additional requirements, if any.</i> For renewable energy developers, the Participation Fee shall likewise be subject to twelve (12%) VAT since it is not among the purchases qualified for VAT zero-rating under Section 15(g) of RA No. 9513.</p> <p>When must the proof of Vat zero-rating or exemption be presented?</p>	<p>Preferably, the proof of VAT zero-rating or exemption is provided before payment of the Participation Fee for MERALCO to evaluate qualification and revise computation of Participation Fee to exclude VAT. If unable to, the Bidder may coordinate with the BAC-PSA Secretariat to process this matter.</p>
113.			Force Majeure	Can the bidder suggest a list of FM events to be considered?	We are not amenable to the proposal. The instances of Force Majeure Events are standard across Meralco's PSAs. Please see enumeration in Section 15.2 of the PSA template.
114.			QD-2 (a)	Define "relevant capabilities in the construction, operation and maintenance of a power plant or in the supply of electricity".	<p>There is no definition to this, but in preparation of this Executive Summary, please be guided by item a., Annex 1 (Eligibility Requirements) of the ERC CSP Guidelines, which the provision in question was lifted from in verbatim, to wit:</p> <p>"(a) Executive Summary - Brief description of the Bidder's company history and structure, including relevant capabilities in the construction, operation, and maintenance of a power plant or</p>

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					in the supply of electricity to the DUs, ECs, or contestable customers"
115.			QD-2 (d)	For partnerships, will a certified copy of its latest Information Sheet suffice?	Yes, this will be allowed.
116.			TP-1 (b)	<i>From August 26, 2025 and for the duration of the PSA, no capacity and electrical output within the Contract Capacity shall be contracted under an agreement apart from the resulting PSA of this Bidding; provided that, if Bidder's Plant is contracted, Bidder must be able to terminate such agreement on or before OED to fulfill requirements under the resulting PSA;</i> Is this only applicable if a plant's capacity has been fully contracted?	The requirement will apply even if the plant is not fully contracted. For example, the plant only has 100 MW of uncontracted capacity remaining, and it is offering 150 MW for this Bidding. It should execute an undertaking that on or before OED, it must be able to terminate other contracted capacity by at least 50 MW such that if deemed the Best Bid for this Bidding, its 150 MW Offered Contract Capacity will not result in a conflict with the Bidder's other contracted obligation.
117.		TOR	Bid Price/Tariff Structure	May we know the basis for the period specified for the non-fuel items, which spans from April 2021 to March 2024? Can we limit the period to latest 12 months only?	Since the resulting PSA from this CSP will be fuel pass-through during implementation, the BAC-PSA chose a period wherein the actual movement of the nominated fuel indices of the fuel, and other non-fuel commodity costs can be captured and represented during evaluation. The historical period designated (i.e., April 2021 to March 2024) for the bid evaluation represents the most recent calendar year periods, and thus, reflects an accumulation of recent market conditions, including both peak and troughs of both fuel and non-fuel commodity prices. Limiting the period will not capture the actual market conditions and might skew the evaluation of the fuel and non-fuel commodity prices.
118.		ANNEXES	TP-1	What is Meralco's definition of Mid-Merit?	Mid-merit is defined by the dispatchability of the Plant and availability of the contracted capacity during the Available Hours as stated in the TOR and PSA.
119.		ANNEXES	QD7	For the "most recent 42 month period of operation" may we use DOE-MOR for the year 2024.	Yes.
120.		ANNEXES	QD-8. Statement of Financial Capability 2. Financial Summary item (4)	Subscribed and Paid-up Capital under Item 2 of the Statement of Financial Capability (IPB Annex QD-8), can we propose replacing it with "Total Capital Contribution" because this term accurately reflects the contributions described for partnerships.	Yes, confirming that the subscribed and paid-up capital under item 4 of the statement of financial capability be replaced to "total capital contribution". If the Bidder is a partnership and it does not have subscribed and paid-up capital, they can use the total capital contribution from the partners.

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				<table><tr><th>Financial Information</th><th>2023</th></tr><tr><td>(indicate last day of accounting year)</td><td></td></tr><tr><td>1. Total Assets</td><td></td></tr><tr><td>2. Total Liabilities</td><td></td></tr><tr><td>3. Total Equity (sum of 4, 5, 6, 7, 8, 9, 10, and 11)</td><td></td></tr><tr><td>4. Subscribed and Paid Up Capital (at par, net of treasury shares)</td><td></td></tr><tr><td>(a) Common Shares</td><td></td></tr><tr><td>(b) Preferred Shares</td><td></td></tr><tr><td>(c) Perpetual Shares</td><td></td></tr><tr><td>Total -</td><td></td></tr></table>	Financial Information	2023	(indicate last day of accounting year)		1. Total Assets		2. Total Liabilities		3. Total Equity (sum of 4, 5, 6, 7, 8, 9, 10, and 11)		4. Subscribed and Paid Up Capital (at par, net of treasury shares)		(a) Common Shares		(b) Preferred Shares		(c) Perpetual Shares		Total -		
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Total -																									
121.		Fin Req Env 1		What is the rationale for the exclusion of the cases which have been outlined in this section - (MER vs SPPC, MER vs TMO etc) ? MER was specific that it should not have any legal proceedings against MER or is affiliates companies?	The common interpretation of the excluded cases is that it is an industry-wide dispute, and not a specific dispute against Meralco.																				
122.		Fin Req Env 1		Aside from the unrestricted Net worth of 7 MM PhP – are there any other financial certifications which can be accepted by the BAC in terms of the financial soundness of the supplier/bidder	No, there are no other financial certifications. However, we wish to remind the bidder that it has the option to choose whether it will submit either its AFS or its Parent/Partners' AFS in order to meet the required Unrestricted Net Worth of the bid requirements, as long as the financial statements submitted is the one indicated in the Statement of Financial Capability (Annex QD-8). Thus, if the Bidder submits the AFS of its Parent, it is allowed as long as it shows an Unrestricted Net Worth equivalent to Seven Million Pesos (PhP7,000,000.00) multiplied by MegaWatt (MW) of Offered Contract Capacity [or if the Nominated Plant is not yet in commercial operations, 30% of the Project Cost].																				
123.		Tech Reqts		The plant can not be contracted to other suppliers outside the existing PSA. If a plant has 200 MWs and the existing requirement only covers 150 MWs – is the supplier allowed to contract balance 50 MWs?	Yes, this is correct.																				
124.		2.2. SUMMARY OF BIDDING	Page 9 IPB	Given the importance of fairness and transparency in this CSP, concern may be raised regarding the potential for the reserve price to be leaked to one or more potential bidders, which would undermine the integrity of the bidding process. To ensure a level playing field and prevent any chance of manipulation, would it be possible to disclose the reserve price to all bidders from the outset? This way, all bidders	The Reserve Price / ceiling price for CSP is relayed by the DU to the BAC-PSA prior to the opening of bids (usually, during the Pre-Bid Conference, to lock in the ceiling price and ensure that it is not changed in the course of the evaluation of bids) and NOT DISCLOSED to other parties until right before the opening of the bid price/financial proposals of the bidders, so that the Power Suppliers will be inclined to give their best offer, instead of simply																				

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				will have equal access to the same information, thereby enhancing the fairness and transparency of the bidding process.	<p>using the Reserve Price as a guide for what the cap is and submit offers that merely hover near the previously disclosed Reserve Price. The non-disclosure of the Reserve Price is also meant to counter possible gaming or collusion, such that if the Reserve Price will be disclosed/published in the TOR, then bidders can just divide the required contract capacity among themselves and agree to submit offers slightly lower than the Reserve Price.</p> <p>An undisclosed Reserve Price for the CSP does not mean that it was determined without basis or that its integrity is compromised.</p> <p>As relayed by the DU, the Reserve Price is based on 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 and on the ERC's approved rates for similar technology and type of supply. The information used to determine the Reserve Price is also available to bidders. Thus, bidders can make their own assessment of the undisclosed Reserve Price for consideration in their bids.</p> <p>The integrity of the undisclosed Reserve Price can be ensured through transparent handling protocols in the conduct of CSP. In all CSPs of MERALCO, the custody of the undisclosed Reserve Price is transferred from the DU to the BAC-PSA and then to an independent bank custodian, in full view of the Bidders, CSP Observers and livestream in MERALCO's YouTube page during the Pre-Bid Conference. During the opening of the bid prices/financial proposals, the custody of the undisclosed Reserve Price is transferred from the independent bank custodian to the BAC-PSA in full view of the qualified bidders, CSP Observers and livestream of the proceedings. The independent bank custodian provides proper and verified documentation on the custody of the undisclosed Reserve Price. The above-described protocols have been practiced by MERALCO in all its CSPs since 2019.</p>
125.				Given the approaching expiration of Meralco's franchise in 2028, there is a potential risk that franchise renewal may face challenges. In the event that such issues arise, what specific risk mitigation measures are in place to protect the interests of the winning bidders? How will Meralco ensure the continuity and security of the contracts awarded	Noting the concern on this matter, the BAC-PSA has consulted the DU/MERALCO on this matter and as relayed by MERALCO to the BAC-PSA:

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				through this bidding process under such circumstances? Additionally, can you provide details on any contingency plans that address the potential impacts on the supply agreements and financial obligations of the winning bidders?	<p>"Prudence dictates that MERALCO does not plan on the basis that its franchise will not be renewed. As an entity imbued with public interest, MERALCO's plans are motivated by its obligation to supply electricity to its customers in the least cost manner and geared towards the implementation of policy declared in the EPIRA to ensure the security of the supply of electric power. This can be achieved through long-term supply contracts. Notably, security of the supply of electric power affects not only the consumers of electricity, but the country and the economy as well.</p> <p>"Being also in the business imbued with public interest, these obligations to the public are shared by the power supplier with MERALCO. The non-renewal of the franchise is a risk reasonably assumed by the power supplier once it participates in this CSP."</p>
126.			Page 1 TOR Operations Effective Date	Suggest to have a set condition precedence prior to declaration of OED.	Please see Sec. 3.2.2 of the PSA template.
127.		Corporate Secretary/IPB		Please confirm if the Authorized Representative of a bidder that is a partnership and has a equivalent position for the corporate secretary can certify and execute the relevant documents, including Annex QD-1A in lieu of the corporate secretary or assistant secretary	Yes, this will be allowed.
128.		Secretary's certificate		<p>Referring to documents from different Annexes/Envelopes that require CTC:we would like to inquire if it is acceptable for the Bidder to provide a CTC that is covering multiple documents instead of having to CTC per document.</p> <p>For example in QD7, requiring CTC for (1) Certificate of Compliance, (2) Market Participant Agreement, (3) Fuel Supply agreement, and (4) Transmission Service Agreement -- CTC will be a single certification letter covering the four documents.</p>	This will be allowed, especially if it can easily be traced back or referenced with the provided tabs of the documents or in the Table of Contents.
129.		Printing Format		Is the bidder allowed to print the documents double-sided?	Yes, this will be allowed.
130.		Bid Security		Can the bidder submit two or more bid securities from different issuing banks during bid submission?	Yes, this is allowed.
131.		IPB Sec 3.1.4 (a)		Per Item 30, Annex A of Bid Bulletin 3, all 3 items under Sec. 3.1.4 (a) are now required to be submitted. In the case of a bidder that only started its commercial operations in the year [YYYY], is it acceptable for the bidder to submit the lists and proof/documentation required reckoning from the date of the bidder's commercial operations in	Yes, the submission and the explanation will be allowed.

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				[YYYY]? If yes, do we need to submit an explanation detailing the bidder's situation?	

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132.		Section 5.5.1 of PSA template	Page 20 of PSA template	<p>Please confirm that this is only applicable if Winning Bidder has RE supply.</p> <p>[5.5 Compliance with RPS Rules 5.5.1 Beginning on Operations Effective Date, any RECs in relation to the Associated Energy shall redound to the benefit of, and be credited to, Meralco. The RECs shall be monitored and accounted for on a monthly basis.]</p>	Yes, this provision is only applicable if Winning Power Supplier's Nominated Power Plant is RE.
133.		Section 13.1 of the PSA template	Pages 35-36 of the PSA template	Is winning Bidder bound to secure marine insurance, builder's risk insurance, general liability insurance, automobile insurance and workers compensation insurance as provided in Section 13.1 of the PSA template?	If the Winning Power Supplier has a greenfield power plant, then the applicable provisions in the PSA template are those highlighted in green. Thus, the Winning Power Supplier has to submit such items. Otherwise, if the Winning Power Supplier has a brownfield power plant, then it should submit those items that are not highlighted in green (in the PSA template).
134.		Section 15. 2 of the PSA Template	Page 39 of the PSA Template	<p>Suggest to delete qualification "occurring in or directly affecting the Philippines" as there may be wars in other countries that, although impact may be indirect, may still result to grave economic consequences to the parties and the performance of their respective obligations in the PSA.</p> <p>15.2 Instances of Force Majeure Subject to the provisions of Section 15.1 and Section 15.6, Events of Force Majeure shall include, but not be limited to: (a) acts of war or the public enemy, whether war is declared or not, occurring in or directly affecting the Philippines; xxx (c) public disorders, civil disturbance, insurrection, rebellion, acts or campaigns of terrorism, piracy, embargo, sabotage, blockade, revolution, riots or violent demonstrations, occurring in or directly affecting the Philippines;</p>	As relayed by the DU, it prefers to retain Section 15.2(a) and (c) as currently worded since the phrase "occurring in or directly affecting the Philippines" was taken from Annex C-2 of the ERC CSP Guidelines (Section 6.1.3).
135.		PSA	Appendix F, page 101	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. Bank of China (Hongkong) Limited is China's most international and diversified bank with operations in 61 countries and regions around the world. In 2023, Bank of China ranked 4th in terms of aggregate assets according to Global Finance's World's Safest Banks 2023. In the Philippines, Bank of China (Hongkong) Limited-Manila Branch has a full commercial banking license and has been in operations since 2002.	<p>As relayed by the DU, Meralco is amenable to include the Bank of China (Hongkong) Limited in the list of Allowed Banks. The Branch Address should be within Metro Manila.</p> <p>Please see Annex B of this Bid Bulletin No. 6 reflecting the amendment to the PSA template.</p>

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				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.	
136.		PSA Template (Assignment of the Agreement to an affiliate)	Second paragraph letter (a), 19.1.1, Article 19 Assignment and Change of Control, page 53	<p>The first line of the subject paragraph must be revised to read as <i>"Power Supplier may, without prior written consent of Meralco xxx xxx xxx assign or transfer this Agreement to xxx xxx xxx an Affiliate [or its consortium's special purpose vehicle] with creditworthiness equal to or higher xxx xxx xxx".</i></p> <p>The consent of Meralco should no longer be required for being unnecessary as long as the assignee of the power supplier has a credit standing equivalent or higher to that of the creditworthiness of the power supplier.</p>	As consulted with the DU, Meralco prefers to retain this provision. Note that to operationalize this provision, and for protection of customers for whose benefit the PSA was executed, Power Supplier still has to submit proof as to the creditworthiness of the assignee. As such, consent of Meralco is necessary. Nevertheless, the provision states that such consent shall not be unreasonably withheld or delayed.
137.		PSA – Material Adverse Government Action	Section 11.2.2 (a), par. 3, page 31	<p>Please confirm that the provision below on termination of the PSA will not apply if the party/ies have applied for appellate remedies and/or a temporary injunction (TRO) has been issued.</p> <p><u>"(a) ...In case of termination by reason of a denial by the ERC or applicable Government Instrumentality of the existence of a Material Adverse Government Action, Power Supplier shall pay the liquidated damages calculated in accordance with Section 16.3.3(a); provided that, if Power Supplier suspended the performance of its obligation to make available the Contract Capacity and supply the Associated Energy to Meralco, Power Supplier shall also refund to Meralco the equivalent of the Material Adverse Government Action Rate corresponding to the total replacement energy purchased from WESM during the suspension period, calculated in accordance with Appendix E; provided further, that if the denial is for a reason other than non-existence of a Material Adverse Government Action, Power Supplier shall only pay fifty percent (50%) of the liquidated damages calculated in accordance with Section 16.3.3 (a)"</u></p>	Denial by ERC or applicable Governmental Instrumentality of the existence of a Material Adverse Government Action is executory unless TRO is issued.
138.		same	Section 11.2.3 par. 2	<p>Please confirm that the procedure for refund, if any, and any installments/tranches shall be agreed by the Parties separately.</p> <p>"Power Supplier shall be required to refund to Meralco the amounts paid, which Meralco was not able to collect from its customers or which is required to be refunded, to restore Meralco's commercial position prior to such Material Adverse Government Action, including an adjustment of the Price."</p>	Section 11.2.3 contemplates refund resulting from a corresponding order of the ERC or any other Governmental Instrumentality. In which case, ERC or such other Governmental Instrumentality may direct the manner of how the refund is implemented by the Parties.

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139.		PSA	PSA, Article 16.1 (c) (Power Supplier Event of Default), p. 42	<p>Under Art. 16.1 (c), the Power Supplier shall be declared in default if</p> <p>(i) a receiver or liquidator or trustee is appointed unless such appointment is discharged within 60 days; or</p> <p>(ii) the bankruptcy, insolvency, or corporate rehabilitation of Power Supplier, or sequestration of any substantial part of the property of Power Supplier and such decree continues undischarged and unstayed for 60 days after entry thereof; or</p> <p>(iii) the filing of a petition to declare Power Supplier bankrupt or to reorganize Power Supplier pursuant to bankruptcy or rehabilitation Law is not dismissed within 60 days.</p> <p>Given the current proceedings in courts, the 60-day cure period to secure a dismissal or a permanent injunction of a case is not sufficient.</p> <p>We propose to revise Art. 16.1 (c) to allow for a [*180-day] cure period for the instances covered therein.</p>	As consulted with the DU, MERALCO is not amenable with the proposed revision. Please note that the lapse of the 60-day period without the appointment being discharged in case of i, without the decree undischarged and unstayed in case of ii, without the petition dismissed in case of iii, will give rise to/trigger the Event of Default. Power Supplier may, within that period, have the illegality removed, withdrawn or corrected. Note that the Power Supplier has a total of 180 Days to cure the Event of Default.
140.		PSA	PSA, Article 16.1 (e) (Power Supplier Event of Default), p. 44	<p>Art. 16.1 (e) provides that in the event the Power Supplier files a petition or answer in a proceeding under any of the provisions of any applicable bankruptcy, insolvency, or corporate rehabilitation Law admitting the material allegations of a petition filed against it, then, the Power Supplier shall be in default, unless such petition or admission is rescinded, withdrawn, or revoked within 60-days xxx</p> <p>The Power Supplier should be able to defend itself and answer malicious suits filed against it.</p> <p>As such, we propose to revise this clause as follows: "Power supplier files a petition or answer in a proceeding xxx", and such petition or admission is not rescinded, withdrawn or revoked within sixty (60) [*180] Days after such filing xxx"</p>	As consulted with the DU, MERALCO is not amenable with the proposed revision. While MERALCO recognizes that Power Supplier may pursue actions to defend itself and answer malicious suits filed against it, the provision contemplates that Power Supplier has already admitted the material allegations of a petition filed against it.
141.		PSA	PSA, Article 16.6.5 (Termination in the Event of Material Adverse Government Action), p.50	<p>Under Art. 16.6.5 (a), in the event of a Material Adverse Government Action, the Power Supplier may terminate the Agreement provided that it pays 50% LD. However, if ERC or any applicable Government Agencies declares that there is no Material Adverse Government Action, and Power Supplier terminates the Agreement, Meralco shall be entitled to impose 100% LD.</p> <p>We believe that the imposition of LDs is too onerous given that the cause of termination is a Material Adverse Government Action and not a</p>	As consulted with the DU, MERALCO is not amenable with this proposal. The 50% Liquidated Damages is to cover exposure of MERALCO's customers on account of termination of the PSA.

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				breach by the Power Supplier. As such, we suggest that the LDs be deleted.	
142.		PSA	PSA, Article 16.6.5 (Termination in the Event of Material Adverse Government Action), p. 50	<p>Art. 16.6.5 (b) provides that if the Power Supplier fails to refund Meralco pursuant to Section 11.2.3, then either Party may terminate the Agreement subject to Power Supplier's payment of (i) 50% LDs and (ii) the amount Meralco paid, which Meralco was not able to collect from its customers.</p> <p>Section 11.2.3 provides that if as a result of a Material Adverse Government Action, Meralco is prevented from making a pass through of any charges as approved by the ERC, the Power Supplier is obligated to refund Meralco the portion of the Price that Meralco is not able to collect from its customers.</p> <p>We suggest deleting this Art. 16.6.5 because at the onset, Power Supplier should not be made to refund the portion of the Price that Meralco is unable to collect from its customers pursuant to a Material Adverse Government Action.</p>	Section 11.2.3 contemplates refund resulting from a corresponding order of the ERC or any other Governmental Instrumentality. In any case, this provision is consistent with the pass-through nature of generation charges.
143.		PSA	PSA, Article 8.1.3 (Outage Allowance And Replacement Power), p. 23	<p>Art. 8.1.3 provides that Power Supplier shall purchase Replacement Power during Scheduled Outages that exceeds the Full Load Equivalent Schedule Outage Allowance Days and Force Outages that exceed the Full Load Equivalent Forced Outage Allowance Days, which shall be paid for by Meralco at the lower between (a) the actual price of Replacement Owner and (b) Price as specified in Appendix E.</p> <p>Further, Item 6 of Appendix E (p. 89) clarifies that the energy components of the Prices shall only pertain to the variable costs components.</p> <p>Given this, can the BAC-PSA confirm that in the event of Replacement Power, the following fixed cost components shall still be paid by Meralco:</p> <ul style="list-style-type: none"> a) Capital Recovery Fee; b) Interconnection Facilities Capacity Fee; c) Interconnection Facilities Fixed O&M Fee; and <p>Fixed O&M Fee</p>	Yes, understanding is correct.

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		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
144.		PSA	PSA, Article 5.1.2 (Supply of Power), p.12	<p>Art. 5.1.2 provides that should Power Supplier Fail to source from the Plant when it is available, Meralco shall pay the lower between WESM price and Price, in accordance with Appendix E.</p> <p>Can BAC-PSA confirm that the above shall be computed the same as the Replacement Power as described in Item 6 of Appendix? Further, please confirm that the Price above refers to the variable cost components of the Price, which are the Fuel Cost Payment and Variable O&M Cost Payment.</p>	Yes, understanding is correct.
145.		Nominations	PSA Appendix G, Section 5.3	<p>May we clarify how Meralco intends to operationalize the revisions to the Day-Ahead Nomination Schedule on a day-after basis?</p> <p>If the Plant has multiple off-takers, the Incremental Energy for such Trading Interval may be attributable to contracts with other off-takers. As such, we suggest the following revision on the Appendix G Section 5.3 of the PSA.</p> <p>"In addition, subject to Power Supplier's approval, Meralco shall have the option to increase its day-ahead energy nomination schedule on a day-after basis, which shall be the Incremental Energy for that Trading Interval."</p>	As relayed by the DU, MERALCO is of the position that since the full contracted capacity is guaranteed to be paid by MERALCO via the capacity-based payments (i.e. CRF, FOM), then the Power Supplier should make available the portion or full contracted capacity to MERALCO when MERALCO needs it. This is in line with MERALCO's mandate to source from the least-cost available supplier. Hence, we are not amenable with the proposal for the day-after nomination to be subject to approval of the Power Supplier.
146.		PSA	Definition of Terms	<p>Given the following definitions in the PSA Template,</p> <p>"Availability of Supply means one hundred percent (100%) of the Contract Capacity is dispatchable during the Available Hours, subject to Section 8.1.1.</p> <p>Available Hours means the continuous periods of: (a) fifteen (15) hours from Mondays to Saturdays covering peak hours of 9:00 AM (Trading Interval 10) to 12:00 MN (Trading Interval 24), and (b) ten (10) hours on Sundays covering the peak hours from 2:00 PM (Trading Interval 15) to 12:00 MN (Trading Interval 24); provided that, the Available Hours may change during the Term of this Agreement, upon mutual agreement of the Parties.</p> <p>XXX</p> <p>Full Load Equivalent Days of Availability means the equivalent duration (expressed in number of Days) over which the Plant's Net Dependable Capacity is able to generate electricity during the Available Hours, whether or not the Plant generated electricity with respect to the Contract Capacity"</p> <p>May we confirm our understanding that for a given week (Monday to Sunday), when the Plant is available and ready to generate the contract</p>	

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

PSA TEMPLATE-RELATED QUERIES/COMMENTS					
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				<p>capacity during Available Hours, the Full Load Equivalent Days of Contract Capacity Availability for that week is <u>equal to 4.17 days</u>?</p> <p>Or this shall be treated as equivalent to <u>seven (7)</u> Full Load Equivalent Days of Availability?</p>	The Full Load Equivalent Days of Contract Capacity Availability shall be seven (7) days.
147.		TOR/PSA	Availability of Supply and Available Hours	<p>Under the PSA, the Available Hours is defined as the continuous periods of: (a) fifteen (15) hours from Mondays to Saturdays covering peak hours of 9:00 AM (Trading Interval 10) to 12:00 MN (Trading Interval 24), and (b) ten (10) hours on Sundays covering the peak hours from 2:00 PM (Trading Interval 15) to 12:00 MN (Trading Interval 24); provided that, the Available Hours may change during the Term of this Agreement, upon mutual agreement of the Parties.</p> <p>Please confirm our understanding that the Power Supplier, outside of the Available Hours, shall be free, on its sole discretion basis, to sell the energy to be generated by the Power Plant equivalent to the Contract Capacity to any entity outside of this PSA.</p>	Yes, understanding is correct.
148.		PSA	Load Factor Appendix E	May we confirm our understanding that the Load Factor shall be determined using bilateral contract quantities, net of replacement power, for the billing period?	Yes, understanding is correct.
149.		PSA - Notice of Force Majeure	15.6.2	<p>As soon as practicable from time to time during the Event of Force Majeure, and also within five (5) Days following the termination of the then-known effects of such Event of Force Majeure, the Party having invoked such Event of Force Majeure shall submit to the other Party reasonable proof of such Event of Force Majeure and its effect upon such Party's performance of its obligations under this Agreement.</p> <p>Reasonable proof comes from a third party or the source of FM. In the case of late receipt from these third parties, will an initial submission (ie. system messages) suffice pending formal report? For clarity, there will be subsequent submissions until the official report from the party concerned with the FM.</p>	As relayed by the DU, MERALCO is not amenable with this proposal. This period of 5 days within which Power Supplier will submit reasonable proof of the FM and its effect to the Party's performance of its obligations is standard across Meralco's PSAs.
150.		PSA - Supply of Power	5.1.2	(b) provide Meralco with capacity and/or electrical energy from any source other than the Plant; provided, however, that Power Supplier	Last sentence of Section 5.1.2(b) refers to a scenario when Power Supplier fails to source from the Plant when it is actually

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

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				<p>shall be allowed to deliver and sell to Meralco the Associated Energy from WESM or any other source only when the Plant is on Outage beyond Full Load Equivalent Scheduled Outage Allowance Days and/or Full Load Equivalent Forced Outage Allowance Days, to be paid for by Meralco at the lower between the actual Replacement Power cost and Price, in accordance with Appendix E. Should Power Supplier fail to source from the Plant when it is available, Meralco shall pay the lower between WESM price and Price, in accordance with Appendix E.</p> <p>Please clarify if the "Should Power Supplier fail to source from the Plant when it is available" means BCQ error.</p>	<p>available, and not BCQ error. Since this is a physical contract and Power Supplier is required to supply from the Plant, when it fails to do so even if the Plant is available, last sentence of Section 5.1.2(b) applies. Consequence of BCQ error by Power Supplier is covered by Section 5.4. of the PSA Template.</p>
151.		PSA - Outages	8.1.3	<p>"Power Supplier shall reimburse MERALCO the difference between (i) WESM price and (ii) the Price as specified in Appendix E, plus all relevant transaction cost and taxes"</p> <p>What is the timeline for MERALCO to submit its reimbursement and Power supplier to reimburse for the difference between the (i) WESM price and (ii) the Price, plus all relevant transaction cost and taxes?</p>	<p>As consulted with the DU, Meralco shall endeavor to submit its reimbursement within the relevant Billing Period.</p>
152.		PSA - Definition of Material Adverse Government Action	1.1	<p>"Material Adverse Government Action means: (a) any Law or Directive coming into effect after the signing of this Agreement, including the adoption or enactment, or any change or repeal with respect to the imposition of taxes, duties, levies, fees, charges and similar impositions, and the right to remit or convert currencies. This does not include any Legal Requirement or the application or interpretation thereof in existence at the date of the signing of this Agreement, but which by its explicit terms or due to any other circumstance, became effective or could be implemented only after the date of this Agreement; or (b) the amendment, modification, repeal or withdrawal of any Law or Directive (including any official interpretation thereof which the Parties have relied upon in entering into this Agreement) in force at the date of this Agreement; or (c) the modification in the application, enforcement, interpretation or implementation of any Law or Directive by a Governmental Instrumentality which the Parties have relied upon in entering into this</p>	<p>The 10% threshold is taken from the acceptable range of common materiality threshold based on finance principles.</p> <p>The rationale is to provide a measure on when to deem a government action to be materially adverse, we compare the Power Supplier's overall cost prior to the government action and the overall cost after government action has taken effect. If the increase in cost will be more than 10% of the annual capacity fee, then the government action is considered to have material adverse impact.</p>

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

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		TOPIC / BID DOCUMENT REFERENCE	ARTICLE / SECTION / PAGE NO.	DISCUSSION OF COMMENTS / QUESTIONS FOR CLARIFICATION RECOMMENDATIONS / PROPOSED WORDING	BAC-PSA's RESPONSE
				<p>Agreement, which modification occurred at any time after the date of this Agreement.</p> <p>which causes or may cause serious damage to, or materially and adversely affects the financial condition of, any of the Parties. <u>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.</u>"</p> <p>Question: What is the basis of more than 10% threshold in determining serious damage or material or adverse effect on the financial condition of a Party?</p>	
153.		Same	Section 11.2.2, last paragraph of letter (a) and (b)	<p>Please confirm that to be considered Material Adverse Government Action ("MAGA"), cost of impact is more than 10% of annual capacity payment. However, to trigger possible termination of the PSA, the MAGA cost of impact must be more than 30%. In this regard, what is the required proof to show the accumulation of cost of impact to more than 30%</p> <p>"(a) ...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 16.6.5(a); provided that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to <u>more than thirty percent (30%) of the annual capacity payment.</u> Xxx xxx xxx.</p> <p>(b) Meralco may dispute the existence of a Material Adverse Government Action following the procedure set in Article 18. During the pendency of the dispute, Power Supplier shall continue to make available the Contract Capacity and supply the Associated Energy to Meralco; provided that, when the Material Government Action results in Power Supplier having actually incurred costs amounting to <u>more than thirty percent (30%) of the annual capacity payment,</u> Power Supplier shall be entitled to terminate this Agreement..."</p>	<i>See immediately preceding response above.</i>
154.		PSA	Material Adverse Government Action/ Article 11.2.2(a)	To be considered Material Adverse Government Action ("MAGA"), cost of impact is more than 10% of annual capacity payment. However, to trigger possible termination of the PSA, the MAGA cost of impact must be more than 30%. In this regard, what is the required proof to show the accumulation of cost of impact to more than 30%?	For the proof, the Power Supplier can show substantiation/ calculation of actual or future losses (certified and notarized) explaining how the government action affects costs or resulted in losses or if there is actual losses equivalent to the amount, Power Supplier may also provide their financial statement showing such losses.

COMPETITIVE SELECTION PROCESS (CSP) FOR CONTRACT CAPACITY OF 400 MW (NET), EFFECTIVE SEPTEMBER 2025

PSA TEMPLATE-RELATED QUERIES/COMMENTS					
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			3rd paragraph and 11.2.2(b)	<p>"(a) xxx 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 16.6.5(a); provided that, serious damage or material and adverse effect on Power Supplier has resulted in its having actually incurred costs amounting to <u>more than thirty percent (30%) of the annual capacity payment</u>. xxx</p> <p>(b) Meralco may dispute the existence of a Material Adverse Government Action following the procedure set in Article 18. During the pendency of the dispute, Power Supplier shall continue to make available the Contract Capacity and supply the Associated Energy to Meralco; provided that, when the Material Government Action results in Power Supplier having actually incurred costs amounting to more than thirty percent (30%) of the annual capacity payment, Power Supplier shall be entitled to terminate this Agreement xxx."</p>	
155.		PSA	Material Adverse Government Action/ Article 11.2.3(ii)	<p>Please confirm that the procedure for refund, if any, and any installments/tranches shall be agreed by the Parties separately.</p> <p>"Power Supplier shall be required to refund to Meralco the amounts paid, which Meralco was not able to collect from its customers or which is required to be refunded, to restore Meralco's commercial position prior to such Material Adverse Government Action, including an adjustment of the Price. xxx"</p>	Section 11.2.3 contemplates refund resulting from a corresponding order of the ERC or any other Governmental Instrumentality. In which case, ERC or such other Governmental Instrumentality may direct the manner of how the refund is implemented by the Parties.
156.		PSA - ANNEX C	Part One, Item 1	Bidder is a partnership. May we submit a Partnership Agreement in lieu of Articles of Incorporation?	Bidder may submit Articles of Partnership or Partnership Agreement.

AMENDMENTS TO THE INSTRUCTIONS TO PROSPECTIVE BIDDERS (dated 11 June 2024)

Item	Reference / Subject Matter of Amendment	Amendments
1	<p>Section 3.2 (q)</p> <p><i>(Clarification on the submission of Annex TP-2 Performance Guarantees even if the Nominated Plant is already in commercial operations)</i></p>	<p>[...]</p> <p>(q) If the Nominated Plant is already in commercial operation, items (b) to (o) above will not be required, instead, Bidder must <u>submit a certified statement that the Nominated Plant is capable of operating consistent with the Performance Guarantees in Annex TP-2</u> and the Nominated Plant’s:</p> <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 as a certified true copy by (i) the ERC; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized;</p> <p>2. Registration as a direct member of the WESM and a copy of its Market Participation Agreement for the Nominated Plant, which shall be certified as a true copy by (i) the PEMC and/or IEMOP; or (ii) the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized, must be submitted;</p> <p>3. Fuel Supply Agreement, if available, otherwise a Fuel Procurement Plan containing a narrative description of strategies and plans for ensuring long-term availability of fuel and regulatory compliance on fuel inventory and specification, which shall be certified as a true copy by the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized; and</p> <p>3. Valid Transmission Service Agreement (TSA) or, if embedded, a Distribution Wheeling Service Agreement (DWSA), which shall be duly certified by the National Grid Corporation of the Philippines (NGCP) or applicable distribution utility, or the corporate secretary/assistant corporate secretary, in which case it must be under oath and notarized.</p>
2	<p>Annex QD-1B</p> <p><i>(Additional details for the Sworn Attestation on the Capital Recovery Fee Offer)</i></p>	<p>ANNEX QD-1B</p> <p>xxx</p> <p><u>SWORN ATTESTATION ON THE CAPITAL RECOVERY FEE OFFER</u></p>

Item	Reference / Subject Matter of Amendment	Amendments																
		<p>I, <i>(name)</i>, <i>(citizenship)</i>, of legal age, with office address at <i>(address)</i>, as the <i>(position/designation)</i> and duly authorized representative of <i>(insert name of the Bidder)</i> (the “COMPANY”), a <i>(corporation/partnership)</i> organized existing under and by virtue of the laws of the Republic of the Philippines, after having been duly sworn to in accordance with law, depose and state that:</p> <ol style="list-style-type: none">1. The COMPANY is a prospective Bidder for MERALCO’s Competitive Selection Process for its <i>(capacity)</i> MW power supply requirement (the “CSP”);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 latest Energy Regulatory Commission (ERC)-approved rate/s’ Capital Recovery Fee (CRF) in the COMPANY’s agreements with other off-takers for the same Nominated Plant. <u>The details of the CRF in the Company’s latest ERC-approved rate are as follows:</u> <table><tr><th><u>Offtaker</u></th><th><u>ERC Case No.</u></th><th><u>Date approved (Provisional, Interim or Final Approval)</u></th><th><u>CRF</u></th></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table> <ol style="list-style-type: none">3. I am executing this Sworn Undertaking to attest to the truth of the foregoing and for whatever purpose it may serve. <p><i>(Date and Place of Execution.)</i></p> <p>By:</p> <p>xxx xxx xxx</p> <p>[...]</p>	<u>Offtaker</u>	<u>ERC Case No.</u>	<u>Date approved (Provisional, Interim or Final Approval)</u>	<u>CRF</u>												
<u>Offtaker</u>	<u>ERC Case No.</u>	<u>Date approved (Provisional, Interim or Final Approval)</u>	<u>CRF</u>															

AMENDMENTS TO THE POWER SUPPLY AGREEMENT (PSA) TEMPLATE

Item	Reference / Subject Matter of Amendment	Amendments														
1	Section 9.2.1.	<p>[...]</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 Power Supplier’s billing, and (ii) Meralco is up to date with all its payment obligations under this Agreement.</p> <p>[...]</p>														
2	Appendix F	<p>[...]</p> <table><tr><th>No.</th><th>Institution</th></tr><tr><td>1.</td><td>ANZ Banking Group Ltd.</td></tr><tr><td>2.</td><td>Asia United Bank Corporation</td></tr><tr><td>3.</td><td>Asian Development Bank</td></tr><tr><td>4.</td><td>Bank of America, N.A.</td></tr><tr><td>5.</td><td>Bank of China</td></tr><tr><td>6.</td><td><u>Bank of China (Hongkong) Limited</u></td></tr></table> <p>[...]</p> <p><i>(In light of the revision, the list will be renumbered accordingly)</i></p>	No.	Institution	1.	ANZ Banking Group Ltd.	2.	Asia United Bank Corporation	3.	Asian Development Bank	4.	Bank of America, N.A.	5.	Bank of China	6.	<u>Bank of China (Hongkong) Limited</u>
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