



BIDDING
CONTRACT CAPACITY OF 1,800 MW (NET), COD 2024-2025

BID BULLETIN NO. 7

To all Interested Bidders:

1. Due to the declaration of 26 December 2023 as a special non-working holiday by the Office of the President (Presidential Proclamation No. 425, Series of 2023), the BAC-PSA has approved to reschedule the Bid Submission Deadline and Opening of Bids from the original date of 26 December 2023 to the new date of **27 December 2023**. However, all the times indicated for the Bid Submission Deadline and Opening of Bids remain the same.

All dates of the Bid Submission Deadline and Opening of Bids indicated in the Invitation to Bid, Bid Requirements, and the Instructions to Prospective Bidders (dated 1 November 2023) ("IPB") are hereby deemed changed or amended pursuant to this Bid Bulletin No. 7.

2. In consideration of the suggestions by the Energy Regulatory Commission's ("ERC") Chairperson Monalisa C. Dimalanta, through a letter to MERALCO dated 13 November 2023 and subsequent meetings on 4 and 18 December 2023 regarding this Bidding's Invitation to Bid and Terms of Reference ("ITB/TOR"), a matrix showing additional amendments to the ITB/TOR, Bid Requirements, IPB, and Power Supply Agreement ("PSA") template is provided herein as **ANNEX A**.

For lack of material time considering that the Scheduled Commercial Operations Date for the 1,800 MW Baseload Requirement CSP is fast approaching, Bidders are given until **8:30 A.M. of 20 December 2023** to submit any comments/clarifications on the additional amendments to the Bid Documents shown in Annex B and, if there will be no objections from the Bidders, the Bid Submission Deadline and Opening of Bids on 27 December 2023 will proceed.

For your guidance and information.

Issued on 19 December 2023.

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

(sgd)

Lawrence S. Fernandez
Chairman

AMENDMENTS TO THE INVITATION TO BID / TERMS OF REFERENCE (TOR) TABLE (published on 1 November 2023 and 8 November 2023)

Item	Reference / Subject Matter of Amendment	Amendments
1	<p>Bid Type</p> <p>Terms of Reference Table</p> <p><i>(New requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta, through a letter dated 13 November 2023 [received by the BAC-PSA on 23 November 2023] and subsequent meetings on 4 and 18 December 2023 regarding this Bidding’s Invitation to Bid and Terms of Reference (“ITB/TOR”). The recommendation was for MERALCO to consider providing a maximum Offered Contract Capacity per Bidder).</i></p>	<p>[...]</p> <ul style="list-style-type: none">• Pay-as-Bid• The minimum Offered Contract Capacity per Bidder shall be at least 150 MW (net) <u>and the maximum Offered Contract Capacity per Bidder shall be set at 1,200 MW (net).</u> <p>[...]</p>

AMENDMENTS TO THE BID REQUIREMENTS (posted starting 1 November 2023)

Item	Reference / Subject Matter of Amendment	Amendments
1	<p>Summary of the Bidding Process and the Pay-as-Bid Mechanism</p> <p>p.2</p> <p><i>(New requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta, through a letter dated 13 November 2023 [received by the BAC-PSA on 23 November 2023] and subsequent meetings on 4 and 18 December 2023 regarding this Bidding’s Invitation to Bid and Terms of Reference (“ITB/TOR”). The recommendation was for MERALCO to consider providing a maximum Offered Contract Capacity per Bidder).</i></p>	<p>[...]</p> <p>In this Bidding, an Interested Bidder shall submit a Proposed Tariff indicating its (i) Offered Contract Capacity, and (ii) the corresponding Total Delivered Headline Rate (“Headline Rate”) and Total Delivered Levelized Cost of Electricity (“LCOE”) for the Required Contract Period. The minimum Offered Contract Capacity per Bidder shall be at least 150 MW (net) <u>and the maximum Offered Contract Capacity per Bidder shall be set at 1,200 MW (net).</u></p> <p>[...]</p>

AMENDMENTS TO THE INSTRUCTIONS TO PROSPECTIVE BIDDERS (dated 1 November 2023)

Item	Reference / Subject Matter of Amendment	Amendments
1	<p>Section 2.2, Summary of Bidding</p> <p>p.9</p> <p>Instructions to Prospective Bidders</p> <p><i>(New requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta, through a letter dated 13 November 2023 [received by the BAC-PSA on 23 November 2023] and subsequent meetings on 4 and 18 December 2023 regarding this Bidding’s Invitation to Bid and Terms of Reference (“ITB/TOR”). The recommendation was for MERALCO to consider providing a maximum Offered Contract Capacity per Bidder).</i></p>	<p>[...]</p> <p>In this Bidding, an Interested Bidder shall submit a Proposed Tariff indicating its (i) Offered Contract Capacity, and (ii) the corresponding Total Delivered Headline Rate (“Headline Rate”) and Total Delivered Levelized Cost of Electricity (“LCOE”) for the Required Contract Period. The minimum Offered Contract Capacity per Bidder shall be at least 150 MW (net) <u>and the maximum Offered Contract Capacity per Bidder shall be set at 1,200 MW (net).</u></p> <p>[...]</p>

AMENDMENTS TO THE POWER SUPPLY AGREEMENT (PSA) TEMPLATE

Item	Reference / Subject Matter of Amendment	Amendments
1	<p>Sec. 12.3 [new provision]</p> <p><i>(New requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta through a letter dated 13 November 2023 [received by the BAC-PSA on 23 November 2023] and subsequent meetings on 4 and 18 December 2023 regarding this Bidding’s Invitation to Bid and Terms of Reference (“ITB/TOR”). The recommendation was for MERALCO to insert a provision in the PSA template that, in case of substantial increase in the Monthly Fuel Cost Payment resulting in significant increase in the blended generation rate/overall retail rate, Power Supplier and Meralco shall exert best efforts to agree on ways to mitigate the impact of such increase to MERALCO’s customers.)</i></p>	<p>[...]</p> <p><u>Parties shall exert best efforts to agree on way/s to mitigate the impact of any sudden and significant increase in the Monthly Fuel Cost Payment calculated in accordance with Appendix E, which results in a significant increase in the overall retail rate and/or blended generation rate to the customers.</u></p> <p>[...]</p>
2	<p>Sec. 18.3.1</p> <p><i>(New requirement to address a recommendation by Energy Regulatory Commission [ERC] Chairperson Monalisa C. Dimalanta through a letter dated 13 November 2023 [received by the BAC-PSA on 23 November 2023] and subsequent meetings on 4 and 18 December 2023 regarding this Bidding’s Invitation to Bid and Terms of Reference (“ITB/TOR”). The recommendation was for MERALCO to insert</i></p>	<p>[...]</p> <p>During the Curing Period with respect to a Power Supplier Event of Default, Meralco shall, for each time Power Supplier fails to make Available the Contract Capacity or to deliver the Associated Energy, be entitled to source energy from the WESM. In such case, and provided that, Power Supplier is able to cure Power Supplier Event of Default prior to the exercise by Meralco of its rights under Section 18.3.3, Power Supplier shall be liable to pay Meralco the difference between the amount Meralco actually paid for such energy and the Price. In the event there is inadequate supply from WESM, Power Supplier shall pay a fine in accordance with Section 9.5.</p> <p><u>Immediately upon lapse of the Curing Period with respect to a Power Supplier Event of Default under Section 18.1(b), where Power Supplier fails to cure the Power Supplier Event of Default, if an NDC Test demonstrates that the actual available capacity of the Plant is</u></p>

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	<p><i>a provision in the PSA template that, in the event that actual available capacity of the Plant is consistently lower than the Contract Capacity, MERALCO shall have the option to require Power Supplier to reduce its Capacity Payments (consisting of Monthly Capacity Payment, Monthly Interconnection Facilities Payment [if any] and Monthly Fixed O&M Payment.</i></p> <p><i>The relevant portions of Appendix E pertaining to Capacity Payments will likewise be revised to capture the reduction to correspond to the actual available capacity of the Plant.)</i></p>	<p><u>lower than the Contract Capacity, Meralco may opt to defer termination of this Agreement as it seeks to secure a replacement agreement for the portion of the Contract Capacity unavailable, as substantiated by the said NDC Test; provided that, the Capacity Payments (consisting of Monthly Capacity Payment, Monthly Interconnection Facilities Payment [if any], and Monthly Fixed O&M Payment) shall be reduced to correspond to the actual available capacity of the Plant; provided further that, Power Supplier shall provide Replacement Power for any deficiency, to meet the Associated Energy corresponding to the Contract Capacity, to be paid for by Meralco at the lower between the actual price of Replacement Power and the Price specified in Appendix E; provided finally that, if Power Supplier fails to meet any of these conditions, Meralco may proceed to terminate this Agreement by reason of a Power Supplier Event of Default. Should Power Supplier comply with all these conditions, upon implementation of the replacement agreement for the portion of the Contract Capacity unavailable, (i) the Contract Capacity under this Agreement shall be re-stated to reflect the NDC Test results, (ii) the corresponding reduced Capacity Payments shall be retained for the remainder of the Term of this Agreement, and (iii) Power Supplier shall cease to provide Replacement Power.</u></p> <p><u>To give effect to the immediately preceding paragraph, Power Supplier shall have an NDC Test conducted and submit an Independent Engineer’s certification of the NDC Test results to Meralco at least thirty (30) days prior to the end of the Curing Period, and Meralco may subject such NDC Test results to further validation by an Independent Engineer of its choice. For this purpose, Power Supplier shall bear all costs in relation to said NDC Test and validation by an Independent Engineer deemed necessary by Meralco.</u></p> <p>[...]</p>