



INVITATION TO BID

RENEWABLE ENERGY CONTRACT CAPACITY OF 350 MW (AC, NET), EFFECTIVE MARCH 2025 TO INCREASE BY 150 MW (AC, NET), EFFECTIVE MARCH 2026

In compliance with DOE Circular No. DC 2017-12-0015, otherwise known as the “Renewable Portfolio Standards for On-Grid Areas,” and pursuant to the Department of Energy (“**DOE**”) Department Circular No. DC2023-06-0021, Series of 2023 and Energy Regulatory Commission (“**ERC**”) Resolution No. 16, Series of 2023, the Manila Electric Company (“**MERALCO**”), through its Bids and Awards Committee for competitive selection process for the procurement of power supply (“**BAC-PSA**”), hereby invites all interested and qualified parties (each, a “**Bidder**”) to participate in the competitive bidding (“**Bidding**”) in respect of the following proposed supply of electricity:

Terms of Reference Table (“**TOR Table**”)

Contract Capacity	500 MW (AC, net)
Bid Type	<ul style="list-style-type: none">• Pay-as-Bid• The minimum Offered Contract Capacity per Bidder shall be 100 MW (AC, net)• A Bidder shall submit a Bid Price indicating its Total Delivered Headline Rate (“Headline Rate”).• If the Bidders’ total Offered Contract Capacities go beyond the required Contract Capacity (i.e., more than 500 MW), the Bidder that fills up the last stack (hereinafter referred to as the “Marginal Bid Offer”) shall have its Offered Contract Capacity reduced accordingly up to the extent of the required Contract Capacity at its Proposed Tariff.• Should the Winning Bidder/s’ total Offered Contract Capacities fall below the required Contract Capacity (i.e., less than 500 MW), the Winning Bidder/s have an option to increase the Contract Capacity under the PSA only to the extent of the required Contract Capacity (i.e., 500 MW) under this Bidding, which option shall be exercised immediately after determination of Best Bid/s and the BAC-PSA shall evaluate the said increase of Contract Capacity during the period allowed for Post-Qualification. This option to increase the Contract Capacity will not affect or change the Winning Bidder/s’ Proposed Tariff and is subject to payment of the additional proportionate Participation Fee under this Bidding.

Operations Effective Date ("OED")	<ul style="list-style-type: none"> • 350 MW (AC, net) by February 26, 2025 • Additional 150 MW (AC, net) by February 26, 2026. For clarity, the total Contract Capacity by February 26, 2026 will be 500 MW (AC, net).
Required Contract Period	<ul style="list-style-type: none"> • Ten (10) Contract Years from the later between ERC Approval (as defined in the PSA template) and the OED defined above (i.e., <i>10 Contract Years from February 26, 2025 and February 26, 2026, respectively</i>)
Nature of Power Supply Agreement ("PSA")	<ul style="list-style-type: none"> • Financial PSA
Plant Type	<ul style="list-style-type: none"> • Mid-merit renewable energy source • Single or portfolio of plant/s
Availability of Supply	<ul style="list-style-type: none"> • 100% available Contract Capacity for a continuous period of 12 hours daily covering peak hours of Meralco. For clarity, Meralco's peak hours at present are from 9:00 AM to 9:00 PM, but this may change during the Required Contract Period upon mutual consent of both Parties. • For clarity, Power Supplier should be able to declare as bilateral contract quantity to the WESM the energy nomination of Meralco during its peak hours.
Guaranteed Renewable Energy Certificates ("RECs")	<ul style="list-style-type: none"> • Equivalent to forty-five percent (45%) plant capacity factor (PCF) with respect to the Contract Capacity annually.
Crediting of RECs	<ul style="list-style-type: none"> • Beginning on the OED, Power Supplier shall provide Meralco RECs equivalent to the higher between Guaranteed RECs and volume corresponding to energy nominated by Meralco and declared to WESM by Power Supplier as bilateral contract quantity, reckoned annually, regardless of the output of the Plant. However, RECs shall be accounted on a monthly basis. <p>For clarity, (a) for the first year, RECs shall be reckoned from the OED until December 25, 2026, regardless of the OED, and (b) for the succeeding years, RECs shall be reckoned annually from 26 December of the preceding year to 25 December of the current year (or, in case of the final year, until the expiration or end of the term).</p>
Bid Price / Tariff Structure of Contract Price	<ul style="list-style-type: none"> • Straight energy price (PhP/kWh), which shall be fixed for the Required Contract Period, without any escalation or price adjustment. • Proposed Minimum Energy Off-Take (MEOT), reckoned annually, should not exceed 45% PCF with respect to the

	<p>Contract Capacity. Bidder has option to indicate discount on the Proposed Tariff which shall be applied to the excess energy above MEOT.</p> <ul style="list-style-type: none"> • Subject to Material Adverse Government Action, the VAT status declared by the Bidder upon submission of its Bid is binding upon the said Bidder for the Required Contract Period of the PSA. For clarity, if the VAT status of the Bidder changes in the future for reasons other than Material Adverse Government Action, then costs resulting from such change cannot be passed on to consumers. • Line Rental cap, as proposed by Bidder, which shall be fixed for the Required Contract Period but shall not exceed Php0.3000/kWh.
Payment Modalities	<ul style="list-style-type: none"> • Mode of Payment: All payments by Meralco shall be made by wire transfer of cleared funds to such account/s as Power Supplier may notify in writing. • Currency of Payment: Philippine Peso (PHP) Billing Period: <ul style="list-style-type: none"> (i) The period from and including the OED until the twenty-fifth (25th) Day of the calendar month when the OED occurs (or, if the OED occurs after the twenty-fifth (25th) Day of the calendar month, the Billing Period is from such date until the twenty-fifth (25th) Day of the next calendar month); (ii) Each successive period ending on the twenty-fifth (25th) Day of each successive calendar month thereafter; and (iii) For the final Billing Period, the period starting immediately after the end of the next to last Billing Period of the Term to the last Day of the Term, or, if the PSA is terminated earlier in accordance with its terms, from the twenty-sixth (26th) Day of the calendar month preceding the calendar month in which the PSA is terminated until the Day of termination. • Prompt Payment Discount: Power Supplier shall propose/extend discount to Meralco based on the straight energy fee in case of MERALCO's prompt payment. Percentage (%) of discount and days to be considered as prompt payment shall be proposed by Power Supplier.
Technical Parameters	<ul style="list-style-type: none"> • Separate Delivery Points for each power plant generating unit as registered with the WESM. For clarity, the Delivery Points should be interconnected with the Luzon, Visayas or Mindanao grid upon OED and able to export power to the Luzon grid upon OED.

	<ul style="list-style-type: none"> At the time of the OED, the Bidder's offered Contract Capacity from the Nominated Plant is not covered by any offtake agreement (e.g., a power supply agreement or ancillary services procurement agreement, including a financial-type arrangement of power supply agreement) that will conflict with the Bidder's obligation should it be declared the Winning Power Supplier. However, although covered by an offtake agreement, such agreement shall have been withdrawn or terminated as of the OED. If Bidder forms a partnership or consortium for the purpose of this bidding, must be evidenced by an agreement showing that their liability in this Bidding and the resulting PSA is solidary.
Outage Allowance ("OA")	<ul style="list-style-type: none"> 100% guaranteed availability (i.e., no OA) during Availability of Supply.
Supply of Power	<ul style="list-style-type: none"> Power Supply shall make available to Meralco, the Contract Capacity to be sourced from the Plant, portfolio of plant/s, WESM or any other source, and deliver and sell to Meralco the Associated Energy. In case Power Supplier fails to provide supply of power from its Plant or portfolio of Plant/s, WESM, or any other source, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PHP 908) multiplied by each MWh each during a Day, which shall be used to reduce the generation charge to customers.
Force Majeure	<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"> (a) Such circumstance, despite the exercise of reasonable diligence, cannot be prevented, avoided, or removed by such Party; and (b) Such event prevents such Party from performing its obligations under the PSA. The affected Party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA (including any obligations of Meralco to pay the Contract Price) for so long as failure to perform such an obligation shall be due to an Event of Force Majeure. Lack or unavailability of supply in itself shall not be considered as an Event of Force Majeure unless the requisites of Event of Force Majeure concur. For clarity, Power Supplier shall not be allowed to claim Force Majeure in case there is supply available from the WESM or any other source. In case of an Event of Force Majeure affecting Power Supplier, Parties may agree that Meralco shall have the

	<p>option to require Power Supplier to make available the Contract Capacity and deliver the Associated Energy from WESM and/or any other source, and MERALCO shall pay Power Supplier at the Contract Price. For avoidance of doubt and notwithstanding any other provision of the PSA, the MEOT shall be reduced proportionally and Meralco shall not be required to make any payments in respect of (i) any Contract Capacity and Associated Energy that is unavailable due to an Event of Force Majeure, or (ii) any Contract Capacity and Associated Energy that Meralco cannot receive or deliver to its customers due to an Event of Force Majeure. In respect of item (ii) in the foregoing sentence, Power Supplier shall not be required to supply Meralco and may freely sell the Contract Capacity or the affected portion thereof to interested parties, including the WESM.</p>
Grounds for Termination	<ul style="list-style-type: none"> • Event of Default • Non-Fulfilment of Conditions to Effective Date • Non-Occurrence of Commencement Date or OED • Certain Events of Force Majeure • Expiration of Term • Material Adverse Government Action, without prejudice to prior exercise of available remedies under the PSA <p>Termination of the PSA, except when due to expiration of Term, shall be subject to ERC Approval.</p>
Liquidated Damages	<p>Upon the occurrence of an Event of Default ("EOD"), one of the remedies available to the non-defaulting Party is liquidated damages, in lieu of all other damages to which it may be entitled in respect of such EOD. In case of Power Supplier EOD, Power Supplier shall pay the present value (using a discount rate of 12% p.a.) of the amount equivalent to the product of the average Contract Price for the past twelve (12) months (at the time of the occurrence of Power Supplier EOD) and the replacement energy for the remaining Term of the PSA. For clarity, the replacement energy shall be the energy equivalent to the sum of the annual MEOT for the remaining Term of the PSA.</p>
Reduction in Contract Capacity	<p>The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco in order to avoid stranded contract capacity or costs, or by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other Laws and Legal Requirements.</p>
Obligations of Meralco	<p>Meralco shall purchase from Power Supplier, to the extent of Meralco's relevant day-ahead nominations, the Contract Capacity and Associated Energy.</p>

Other Relevant Information	<ul style="list-style-type: none"> • The Bidder's Total Delivered Headline Rate shall be computed and evaluated based on 50% PCF. • The Bidder's Total Delivered Headline Rate shall be subject to a pre-determined Reserve Price, which will only be revealed by the BAC-PSA to Qualified Bidders during the opening of the Bids.
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In order to become an Interested Bidder and obtain a copy of the Bidding Documents in this Bidding, parties interested should submit, using the email of its authorized representative indicated in the Expression of Interest, a clearly scanned copy (.pdf file format) of an accomplished Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, in the form and substance made available on MERALCO's website <<https://company.meralco.com.ph/csp/ongoingbids>>, to the **BAC-PSA Secretariat through its email address: BACPSASecretariat@meralco.com.ph no later than 4:00 P.M. of 7 June 2024** ("Expression of Interest Deadline"). For this purpose, the subject of all email communications should start with "**500 MW CSP – [proceed to state subject matter]**" and the official time and date of receipt of the emailed submissions shall be the electronic time and date stamp of receipt by the BAC-PSA Secretariat's email. Upon the BAC-PSA Secretariat's receipt of said submission, it will electronically acknowledge the receipt thereof and proceed to evaluate if the submissions were properly made and is in accordance with the Terms of Reference Table. If the submissions are in order or found compliant, the BAC-PSA Secretariat will then send to the concerned party the payment instructions of the Participation Fee (defined below), which may include the bank account details for the cash, manager's check deposit, or online fund transfer payment, with instruction for the transmittal of the scanned copy (.pdf file) of the proof of payment (e.g. cash/manager's check deposit slip, or online fund transfer acknowledgment). After the BAC-PSA Secretariat's validation of MERALCO's receipt of the concerned party's proof of payment, the BAC-PSA Secretariat shall then transmit by email the corresponding scanned copy of the Official Receipt of the payment of the Participation Fee. This email will be accompanied by a link to a cloud-based online repository/folder containing its Bidding Documents, which shall be accessible and available only for that particular party through the registered email/s of its authorized representative/s indicated in its Expression of Interest and/or bidder-specific passwords.

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 Pesos (PHP2,000,000.00) 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 Expression of Interest Deadline**. If an interested party is a zero-rated VAT entity or exempt from VAT, it shall pay the Participation Fee exclusive of VAT together with a copy of the certificate issued by the Philippine Economic Zone Authority ("PEZA") or the Board of Investments ("BOI") that the payment of Participation Fee by such entity is subject to zero percent (0%) VAT, or a copy of certification that the said entity has exemption under special laws or international agreements which effectively subjects the payment of Participation Fee to zero percent (0%) VAT.

After the Expression of Interest Deadline, Interested Bidders may increase their indicated Offered Contract Capacity and/or change their indicated Nominated Plant/s no later than **4:00 P.M. of 10 July 2024**, subject to the Interested Bidder's simultaneous payment of the additional proportionate Participation Fee and submission of a new Expression of Interest form reflecting the said change/s.

The BAC-PSA shall conduct a Pre-Bid Conference at **1:30 P.M. to 3:30 P.M. of 17 June 2024** through virtual video conferencing. Prior to the Pre-Bid Conference, Interested Bidders are requested to submit advance queries or requests for clarifications to the Bidding Documents **on or before 1:00 P.M. of 11 June 2024** to the BAC-PSA Secretariat through the following email address: **BACPSASecretariat@meralco.com.ph** and using the Bidder's queries/comments matrix template made available on MERALCO's website. The BAC-PSA shall consolidate the said advance queries and prioritize the discussion thereof during the Pre-Bid Conference, however, if time permits, the BAC-PSA may entertain and discuss additional queries raised by the Interested Bidders. Only the Interested Bidder's authorized representatives (not more than three (3) persons) indicated in the Expression of Interest are allowed to attend and participate in the Pre-Bid Conference, together with the invited CSP Observers.

In order to qualify to bid, an Interested Bidder shall submit to the BAC-PSA Secretariat, **on or before 9:00 A.M. of 17 July 2024** (the "**Bid Submission Deadline**"), by uploading to the cloud-based online repository/folder assigned to the Interested Bidder, three (3) separate and password-protected zip folder (.zip file) containing the scanned copies (.pdf file) of its (a) Qualification Documents (Envelope 1) to demonstrate its compliance with all the Legal and Financial Qualification Requirements; (b) Technical Proposal (Envelope 2); and (c) Bid Price (Envelope 3), which includes the **Bid Security equivalent to three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Interested Bidder**. As part of the Bid Submission Deadline, **between 8:00 A.M. to 9:00 A.M. of 17 July 2024**, the Interested Bidder shall submit at the **Lobby, Lopez Building, MERALCO Center, Ortigas Ave., Pasig City** the Original Copy of all the said documents, including the latest original copy of the Expression of Interest, Confidentiality Undertaking and Acknowledgement and Consent Form for Data Privacy, all placed in a sealed box. Immediately after the Bid Submission Deadline, the BAC-PSA Secretariat shall begin to switch the Interested Bidder/s' ability to edit/write/upload to the cloud-based online repository/folder to the read-only mode and the original copies of all documents submitted may no longer be replaced.

Thereafter, the opening, assessment and evaluation of the said bid submissions will proceed at **9:30 A.M. of 17 July 2024**, through virtual video conferencing, and will continue such opening, assessment and evaluation on such other day/s as may be determined by the BAC-PSA. During the opening of the bid documents, only when the Interested Bidder's name is called will it be instructed to email to the BAC-PSA Secretariat the password for the pertinent zip folder/file to be opened by the BAC-PSA. Only the Interested Bidders that timely and completely submitted their bid documents (represented by their authorized representative/s named in their Expressions of Interest) by the Bid Submission Deadline in accordance with requirements and conditions specified in the Instructions to Prospective Bidders are allowed to attend and participate in the opening of the bid documents, together with

the invited CSP Observers.

Late submissions and requests for additional time shall not be accepted/allowed in all stages of the Bidding.

CERTIFICATION

As Chairman of Meralco's BAC-PSA, I hereby certify that this Invitation to Bid, including the Terms of Reference Table, were circulated and approved by the BAC-PSA at Pasig City, Philippines.

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Lawrence S. Fernandez

Chairman

Contact Information:

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

Attention: Atty. Raymond B. Yap, BAC-PSA Secretariat

Email: BACPSASecretariat@meralco.com.ph

CSP website: <https://company.meralco.com.ph/csp/ongoingbids>

Address: Lopez Building, Meralco Center, Ortigas Ave., Pasig City

Tel. No.: 16211 (trunkline)