



**OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.
SAN JOSE, OCCIDENTAL MINDORO**



BID BULLETIN NO. 04

This Bid Bulletin No. 04 dated 28 October 2019 is being issued to respond to request for clarifications and to confirm key issues addressed and discussed during the Pre-Bid Conference held last 03 October 2019:

REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
ITB Clause 5.1	<ul style="list-style-type: none">• Is 5 years a fixed requirement or will OMECO consider reducing it to 3 years to allow more participants and so not unnecessarily exclude other interested bidders since the 2018 CSP Rules did not indicate the number of years.	We will maintain the five (5) years requirement as power supplier.
TOR No. 23 and ITB Clause 5.1	<ul style="list-style-type: none">• Can we include experience in energy development, power plant EPC and other fields of power generation?	No.
ITB Clause 7	<ul style="list-style-type: none">• Please provide a yearly energy and demand forecast from 2020 to 2035 of the cooperation period.• May we request for OMECO annual peak demand and load forecast & 2020 to 2035 Energy Requirement including annual peak load requirement at each interconnection point and hourly load profile at each connection point as well.• May we request for Transmission and Distribution System Diagram/Map• Since there is no Maximum energy Off-take, OMECO must provide valid, accurate and reliable 8760 hourly demand forecast,	Yes, the data and documents are already available and you may secure during due diligence period.

REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>i.e.: for the entire contract period; for each plant location, and based on normalized historical load (not computed as percentage of demand from system forecast using percentage of sales) in each power plant location. This is important in sizing the RE generators and backup systems.</p>	
<p>ITB ANNEX G – 1, 1.2.1</p>	<ul style="list-style-type: none"> • It has been stated during the Pre-Bid Conference that this requirement shall be revised as “Brand New or and can withstand for the next thirteen (13) years and to be sourced from reputable manufacturer”. We request a formal written confirmation of this revised requirement. • Source of Power is "Open Technology", will OMECO require brand new engines or will you allow 2nd hand engines? • What is the definition of "Brand new" equipment? Is it possible to remove the term, "can withstand for the next thirteen (13) years", considering that there is no objective way to determine this for evaluation purposes. • Reference to the Annex G section 1.2, subsection 1.2.1 as you have change from Brand New “or” can..., to Brand New “and” can...; we did not see specifically mentioned the clause of Annex G in the TOR or in the Information Memo. 	<p>Brand New units with proven operational performance as certified by a manufacturer’s client.</p>



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	<p>Neither it is mentioned that following Annex G is ground for disqualification. Nor Annex G is mentioned in ITB 13 Documents Comprising the Bid: Technical Proposal. This means that original clause "Brand New "or" can withstand..." is the correct clause and not the modified "Brand New and can with stand" as you have mentioned in the Pre-Bid Conference. Can you please give us your reasons on the change or clarification on this? As you have mentioned in the pre-bid conference that the specification of New Generating Capacity is Brand New "AND" can withstand for the next thirteen (13) years and to be sourced from reputable manufacturer. However in the Bid Documents as per Annex G Power Plant Specifications, section 1.2 For the New Generating Capacity, subsection 1.2.1: Brand New "OR" can with stand for the next thirteen (13) years and to be sourced out from reputable manufacturer. In our side as interested Bidder, this very important plant specification on New Generating Capacity / Plant should have been mentioned / stated in the invitation to bid notice or in the information memo and not in the bid docs or in the pre-bid conference to avoid confusion. Could you please be more specific of</p>	



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	<p>the definition of “Brand New”? In case we have a generating units as example manufactured in 2014 but it’s never been used can we consider it as “brand new”? Please quantify the definition of Brand New. What does it mean “can withstand 13 year”? Can you be more specific and quantify the definition of this clause? Is brand new generating units also applies for interim power supply? Will you allow In case we use brand new generating units in the interim power supply and proceed to extend its use as new generating capacity and jus additional capacity to meet the required capacity?</p> <ul style="list-style-type: none"> • Clarification and one question. Clarification lang po kanina sa reply ni Mr. Garcia to an earlier question exactly about brand new and can withstand thirteen years, kasi, sabi nga or then you clarify that it’s brand new and, ibig sabihin brand new s’ya and can withstand thirteen years at least, tama po ba? So effectively ako, , disqualified na ako, three years old na ko, ganon, ganon po ‘yong implication kasi non. Kasi nong pagbasa ko nong TOR kasi brand new or pwede second hand basta maka-last s’ya ng thirteen years, in fact I have an earlier written questions sabi ko mahirap ‘yon i-evaluate, I 	



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	<p>suggest you limit the running hours for example, not more than 20,000 running hours, 'yon madaling i-evaluate 'yon, ibig sabihin n'yan kung 24 hours yan wala pang three years yan, pero kung thirteen years mahirap po i-evaluate yan.</p> <ul style="list-style-type: none"> • Reconsideration for the use of second hand generating units in the upcoming OMECO CSP for the New Generating Capacity. 	
	<ul style="list-style-type: none"> • As mentioned in the ITB that it is "Open Technology" why surplus or used generating units are not qualified. Can you please specify the more specific about "open technology"? • May tanong lang po ako about sa technology, because you said that it's an open technology po 'no and then bakit po kailangan brand new? Kasi open technology, what do you mean ano po 'yong open technology? and then can you define po ano 'yong brand new? what is it? because there is some, we could find some units that are brand new but not in used, maybe you define, kailan dapat s'ya manufactured, what ano, because meron pong mga, meron pong makikita na mga units na we could installed but not been in used, hindi po ba considered as brand new? 	<p>Open technology refers to any proven and tested source of energy used either conventional or renewable power plants in the Philippines.</p>



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	<ul style="list-style-type: none"> If there is, because we have to define and then, if you need the installation is all should be brand new o the main unit lang 'yong brand new? Can we consider that one? Because there is some items that are, can be.. specially sa VOP po, sa auxiliary sa planta, Paki-define nalang po kasi 'yong meron po kasi kayong main units, meron pong mga auxiliary units na second, not intended for sa main unit, can you define nalang po siguro 'yong, saan po 'yong ano.. tska 'yong open tech.. talagang ano po no.. hindi considered 'yong brand... second hand ano? Kasi open.. paki define nalang po parin 'yong open technology 	
	<ul style="list-style-type: none"> No, I mean, does it not required to be brand new because these are modular/rental units, you will not find that usually in the market..... so sir bid bulletin nalang po 'yon sir? On the question of whether units provided for the interim solution need to be brand-new as well. Your TOR specifically allows rental units to be provided for this solution. Typically, rental units may be used generators and not often brand-new. What is key here is that the provider of the solution has a verifiable track record in providing reliable capacity through proper operation and maintenance of the rental 	<p>For interim demand requirement, the rentals or modular are not required to be brand new but the bidder must assure the required capacity available 24/7 and comply with the technical operating requirements such as three shots to lock-out protection mode.</p>



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	<p>units. If only brand-new units are allowed for the interim solution, you may be making it more difficult for prospective bidders to submit competitive bids given that the time to recover costs for the interim modular will be very short if proponents opt to buy. Even if a rental company can provide brand new rental units, you will still expect the costs to be much higher as compared with allowing the supply of very well-maintained modular units. As an aside and an example, Aggreko has been supplying interim power solutions globally for more than 55 years. In the Philippines, we have provided and continue to provide numerous solutions in the utility sector dating from 2004. We have a sterling record for providing reliable power in our contracts. In 2013 Aggreko established Aggreko Energy Rental Solutions, Inc. (AERSI) as its locally registered entity and in 2016, the AERSI depot in Laguna commenced operations. The operations of the depot further enhanced Aggreko's responsiveness and ability to deliver on its promise of reliable solutions to its customers.</p>	
	<ul style="list-style-type: none"> You have mention that we have a two year interim and after the two year program will be installing brand new units right? 	<p>If the bidder will install brand new modular for the interim demand requirement, it is still required to construct brand</p>



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	<p>Now, the question is if we install brand new units on on the beginning of the, let's say March 2020, will be interim period be taken off and will just operate the power plant up to the fifteenth year that is considering that will install brand new units on this first year of construction? The issue is on the first year of installation, instead of going to the interim program, we will be installing brand new units from the very beginning, so after installing the brand new units, do you still require us to install again another brand new unit just to satisfy the interim period?</p>	<p>new power plant for the new generating capacity.</p>
	<ul style="list-style-type: none"> • I know it was mentioned earlier about the grid impact study but I would like to clarifications when do you expect to or us to expect the results of the grid impact study? • May we request that the grid impact study ("GIS") be provided prior to the submission of the bids? This way, the NPPs will a clear understanding of the requirements (i.e. power plant locations, power plant size, tapping point, size of transformers, and location of spinning reserve). 	<p>Pre-GIS is available during due diligence while the Post-GIS will be conducted after having the winning Bidder.</p>
	<ul style="list-style-type: none"> • What happens if there is a need to modify the specifications offered as a result of the GIS? Will the winning bidder be allowed recover such cost e.g. 	<p>You may review the Pre-CSP GIS conducted.</p>



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	added to the rate?	
	<ul style="list-style-type: none"> • How much would be the cost of GIS? • "Cost of GIS which is required for interconnection shall be in account of the winning bidder. However, OMECO shall undertake the conduct of GIS." What is the estimated cost and completion timeline? 	PhP 800,000.00
	<ul style="list-style-type: none"> • This my question is regarding in connection to the GIS, as mentioned earlier ago, this is a technical one. As we have noted in the bid documents, the capacity for each location are already specified however upon the conduct of GIS, if that capacity will be altered because the GIS will determine the capacity requirement for each connection, so we have to change the capacities for the locations? Kasi that's the reason having a GIS to check on the capacities. 	The main object of the GIS is to quantify the adverse impact, if any, on the transmission network if new generating facilities will be constructed and connected.
	<ul style="list-style-type: none"> • Please clarify who is the current System Operator for the OMECO franchise area. 	OMECO is the current system operator but once the interconnection of Mindoro Grid completed, the system Operator will become ORMECO.
	<ul style="list-style-type: none"> • This was my experience sa NPC lang, sa Small Grid Code, the 69kV responsible ang generator to install circuit breaker at the connection point, okay klaro 'yon, talagang NPP, pero, 'yong experience namin sa Sta. Clara, pinut-up nila 'yong 69kV breaker dahil because of the grid 	The bidder shall include to the investment cost all expenses to be incurred in the point to point connection.

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	<p>code pero later on naglobby ang Sta. Clara sa ERC, inallow ng ERC na bayaran ng NPC 'yong investment don sa 69kV breaker, so technically speaking of Sta. Clara, ang 69kV breaker is the responsibility of NPC. So medyo magulo, ngayon kinocontest naman ng NPC 'yong pag-assume ng cost dahil hindi dumaan ng bidding, nakinig ko lang kanina hanggang ngayon hindi pa nababayaran 'yong nag-put up ng breaker atska 'nong two breaker system ba 'yon, so medyo kaya...if, if ever nai-shoulder ng NPP and following the example of Sta. Clara, entitled 'yong NPP to recover the cost of putting up this 69kV breaker magfa-file lang sa ERC for purpose of recovery. So, I suggest wag na munang i-assume ng NPP 'yong.. 'yong cost ng breaker kasi eventually ququestion-nin din ng NPC.</p> <ul style="list-style-type: none"> • Considering the substantial works to be done for the 69kV connection, can OMECO confirm the approval of NPC to pursue the project with full specifications and details and guarantee the reimbursement of the cost? Can OMECO please provide these details for the purpose of the CSP bid? 	
	<ul style="list-style-type: none"> • Supplier shall be responsible for all the requirements that may be required by the 	<p>NPC is the Transmission Owner on which the bidder shall coordinate the connection scheme and the</p>



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	Transmission Owner. We'd like to confirm who is referred to as Transmission Owner? Can the DU provide the diagram and equipment specifications required by the transmission owner?	required equipment to be installed.
	<ul style="list-style-type: none"> Can we suggest a modification on Item 1.1.2 of Annex G-1 to indicate different rated capacities/unit for each technology? Suggested modification to Item 1.1.2: 1.1.2. Rated Capacity per Unit Technology #1 Technology #2 Technology #3 	<p>Bidder may submit their own format.</p> <p>The bidder shall specify the rated capacity of each unit. The sizing of rated capacity of the units should consider the impact to the grid in time of outage and the requirement for ancillary services.</p>
	<ul style="list-style-type: none"> Please clarify "type or expected mode per unit". 	Regulating, base, ancillary, peaking, or N-1
	<ul style="list-style-type: none"> Will it be the sole discretion of the Winning Bidder to decide which system will be used by OMECO in monitoring its 24/7 plant status and output? 	Yes
	<ul style="list-style-type: none"> The interim demand requirement is from March 25, 2020 up to March 25, 2022. Is the winning bidder allowed to begin its regular operation earlier than 2022? Will it be allowed that price for new generating facility can be applied already in the interim years? Say the COD of the new facility is earlier than 2022? 	We will follow the period for interim demand requirement and the new generating capacity.
	<ul style="list-style-type: none"> Is it possible to secure all regulatory permits (DENR, DOE, ERC, LGU) in time for the interim 	The Winning Bidder shall use the Executive Order No. 30 to seek fast approvals of the Regulatory and Environmental



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	<p>requirements?</p> <ul style="list-style-type: none"> I just like to manifest in support to our colleagues here in regards to the permitting and requirements. Now, with regards to the issuance of ah, of a Notice of Award of the Winning Bidder which is November 23-25, 2019 and to start the operation in March 25, 2020, I believe it's a very challenging for us bidders no to operate considering the scope no including the acquiring of the permits, DENR and all other permits, it's very challenging, so I was supporting the gentleman here which raised the concern. 	<p>Requirements.</p>
	<ul style="list-style-type: none"> We request that OMECO renders assistance or support to the winning NPP in its securing of permits and licenses. Since the period from Notice of Award up to COD of Interim Period is too short, we suggest that OMECO shall render assistance or support to the winning NPP in securing of permits and licenses. 	<p>The Buyer will help the Seller in securing permits in the best effort we can.</p>
	<ul style="list-style-type: none"> Distribution Utility shall have the right to Dispatch the Power Plant up to its Dependable Capacity following the dispatch protocol in accordance with the economic merit order. To avoid violating PSA obligations with NPPs, we propose basing the dispatch protocol on order 	<p>The buyer will dispatch based on the economic merit order.</p>



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	of entry and not economic merit order.	
	<ul style="list-style-type: none"> Renewable Portfolio Standard Compliance. What is the preferred location/site for the RE component? 	Location should be the responsibility of the bidder.
	<ul style="list-style-type: none"> What is the expected capacity of the RE component? 	The bidder has the option to size its RE capacity and the bidder must assure that the requirements under DOE Department Circular No. DC2018-08-0024 shall be complied.
	<ul style="list-style-type: none"> Considering the numerous questions and requests that need to be resolved before the submission of bids, may we request to move the submission of bids to 30 days later than originally scheduled (provided there is already a GIS)? 	Already extended for 1 month.
	<ul style="list-style-type: none"> Is Ilin part of Mainland Occidental Mindoro? 	Yes
	<ul style="list-style-type: none"> As per regulation, this is the responsibility of the System's Operator (SO). Why is the buyer requiring the seller to absorb the costs? 	This is in accordance with the ITB.
	<ul style="list-style-type: none"> What is the significance of this requirement considering that there will be only one (1) power provider? 	For monitoring purposes.
	<ul style="list-style-type: none"> While this is an open technology supply, there is an RPS compliance, hence, does it mean that price offer will be a blended rate or there will be a separate rate for RE and conventional technology? 	Blended rate
	<ul style="list-style-type: none"> Tariff for Interim Supply, is there a Tariff Matrix? 	Yes, Annex D of the ITB is for revision.
	<ul style="list-style-type: none"> Bunker Fuel as Reference 	This bidding is for open

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	<p>Fuel. OMECO seems to be encouraging the use of bunker fuel, even for peak load. By doing this, it is either suggesting or encouraging the use of bunker-fed diesel gensets or the use of thermal oil plant.</p>	<p>technology. There's no preferred technology.</p>
	<ul style="list-style-type: none"> • Will OMECO allow the winning bidder the use of commercial diesel fuel during DENR-EMB Stack Emission Tests and then let them use bunker fuel during normal operations? Please note, though, that doing this is tantamount to circumventing DENR-EMB standards and a violation of the Clean Air Act. 	<p>No.</p>
	<ul style="list-style-type: none"> • Rescheduling of Bid Submission Date. Please consider postponing and resetting the Bid Submission Date to a later date. This will give all bidders sufficient time to prepare reasonably intelligent bids that will be good and fair for both for OMECO and the bidders. Bids done in haste are not necessarily in the best interest of OMECO, and the consuming public in the end. 	<p>Already rescheduled.</p>
	<ul style="list-style-type: none"> • Dividing the Project into 3 Lots. Please consider dividing the project into 3 lots to make them more manageable. This will create 3 winning bidders that can work on the 3 lots simultaneously and, therefore, shorten projects time completion. 	<p>No.</p>
	<ul style="list-style-type: none"> • Request for exemption from the pre-qualification 	<p>The bidder must comply with the eligibility</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	requirements in relation to OMECO's CSP for procurement of power supply	requirements.
TOR No. 01 Type of Contract	<ul style="list-style-type: none"> Since this is a "full-service contract" including ancillary, there is need for comprehensive Reliability and Stability specifications governing the performance in all the operating modes if the CSP will award of location to different Gencos. 	The contract will be awarded to one bidder for the 3 locations.
	<ul style="list-style-type: none"> Does OMECO have, in fact, the legal authority to sign a contract beyond its franchise /corporate life? 	Yes, at the time the contract will be signed, the OMECO franchise is still valid and it shall be renewed five years prior to its expiration.
	<ul style="list-style-type: none"> What's the status of the NPC's 69 kV facilities, which locations are already connected and which are not yet connected if there are. What are the future plans of NPC on their 69kV line/facility? It was mentioned during the pre-bid conference that NPC proposed to construct a switching substation at Sablayan. May we know if there are contingency plans in case the NPPs power plant is constructed ahead of NPC's Sablayan substation? Where will we tap on the 69KV line in such case? 	The 69kV line in the OMECO grid was already completed. The planned switching station at Sablayan is expected to complete prior to the COD of the New Generating Capacity where the Bidder is required to connect.
	<ul style="list-style-type: none"> Please provide more details on this proposed scheme. Kindly clarify if the back-up power plant shall be equivalent to the large power plant. 	If the Power Supplier put up a single large Power Plants at San Jose area. The back-up power plant of Sablayan and Mapsa shall be equivalent to required capacity.
	<ul style="list-style-type: none"> The Bidders shall use financial parameters set by 	No, we will maintain the figures in Annex C.



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	<p>OMEKO as shown in Annex C of ITB. Will Annex C be updated considering the figures are as of January 2019?</p>	
<p>Instruction to Bidders, Annex G – 2: Operating Parameters: Item 7.</p>	<ul style="list-style-type: none"> • One last question sir, this is regarding the conditions or the conditions in the Invitation to Bid page 53, that the Winning Bidder must provide OMEKO a system capable to monitor plant status and output on a 24/7 basis at OMEKO's load dispatch office. Ang tanong ko lang sir, what are the data requirements sa monitoring ninyo? Di naman siguro lahat para sa makina. Breaker status or something like that. Kasi sinabi dito sir na at OMEKO's load dispatch office so ibig sabihin centralized ho sa tatlong planta? Ise-centralized ninyo? or may site location kayo sir, bawat planta? • Winning bidder must provide OMEKO a system capable to monitor plant status and output on a 24/7 basis at OMEKO's load dispatch office. What are the needed plant parameters required by OMEKO in monitoring? Is plant status monitoring required by OMEKO be centralized or localized? Where shall be the load dispatch office locates? 	<p>Plant output: MW or KW, MVar or kVar, frequency, voltage.</p> <p>The monitoring will be centralized and to be installed at OMEKO main office.</p>
<p>ITB 13.1 (e)</p>	<ul style="list-style-type: none"> • Fuel Supply plan indicating: (A) Long term availability, (B) Contingency Supply for at least 30 days (C) Key Terms for Fuel Supply 	<ul style="list-style-type: none"> • Fuel supply contract must be at least for a period of five years.

REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>Agreement. For item A. Can long term availability be defined such 5 years contract, subject for renewal; or any other terms?</p>	
ITB 13.1 (e)	<ul style="list-style-type: none"> For item B. Does the 30-day supply mean inventory on hand or only contingency supply? 	<p>A thirty (30) day inventory on hand.</p>
ITB 12.1.3 (b)	<ul style="list-style-type: none"> Do we have to comply all the items listed above? the word "or" in item 1 caused us confusion in that section. 	<p>Yes, the word "or" is to be omitted and subject for Bid Bulletin.</p>
ITB 12.1.3 (b)	<ul style="list-style-type: none"> This is to inquire for clarification regarding Financial Document Requirements - Folder 3 of the bidder. Refer to page 14-15 of 53 of Instruction to Bidders. As stated in the bid document, the bidder have to submit the required docs to show our, SUWECO as the bidder, eligibility in participating in the CSP for NPP of the project stated in the subject.12.1.3 Financial Documents Requirement - Folder 31. Company profile and history and history of the bidder and its affiliate or consortium/partnership engaged in Power Generation, including: i. Current and Previous experience with financing (equity and debt) of projects of the type and size being proposed; or ii. Financing plan including, but not limited to detailed description of where the funds will originate (debt financing and equity financing)iii. Convincing evidence that the Bidder 	<p>Yes, the word "or" is to be omitted and subject for Bid Bulletin.</p> <p>The bidder must comply with all requirements.</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>can finance the equity component of the investment such as commitment letters from investors and partners; and iv. Convincing evidence that Bidder has strong credit backing and can successfully arrange financing for the project such as letter from prospective project financiers.</p>	
ITB 12.1.3 (b)	<ul style="list-style-type: none"> • Is it enough for our compliance docs if we submit only items ii, iii, iv (as stated above) 	The bidder shall comply all items.
ITB 12.1.3 (b)	<ul style="list-style-type: none"> • In case your answer is "Yes" in our query in number 2, then is it okay if we neglect the submission of item no.1? 	No.
ITB 12.1.2 (a), vii	<ul style="list-style-type: none"> • Financial ratios indicating liquidity measurement ratio, debt ratio, profitability and operating performance ratio. Some AFS does not include Ratios as this is not a requirement for financial reporting. Shall we provide our own ratios given that some AFS do not have this? 	The bidder shall submit their own financial ratios which come from the Audited Financial Statement.
	<ul style="list-style-type: none"> • We believe that the formula used for the long-term levelized price/levelized price is inaccurate. The current formula only involves the weighted average, but does not pertain to the levelized price itself. • We believe that the formula as provided in Annex E is only the weighted average for it does consider the annual energy offtake for the entire contract period. 	<p>We will provide sample computation during the second pre-bid conference.</p> <p>Annex D and E is subject for revision.</p>



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	<p>Kindly revise this formula.</p> <ul style="list-style-type: none"> • On a long term levelized price, kasi when we try to analyse 'yong definition under the bid documents, it appears that instead of levelized mukhang weighted average 'yong lumalabas, so maybe we can ask for further clarification or siguro maybe the TWG or the TPBAC can re-visit this portion para mas maintindihan ng Bidders how the long term levelized price will work. • Kindly revisit the current formula and provide a revised formula for deriving the long term levelized price. Please provide an example of the computation. • Please expressly provide the formula for arriving at the Total CRF, FOM, VOM, and Fuel Fee. • Annex C of ITB (page 43) – do the bidders use these index rates to calculate their respective TCGR offers? Should the rates be consistent with the rates used for the TCGR hurdle rate? Can you please provide some clarity as to how these rates are linked? 	
	<ul style="list-style-type: none"> • The winning bidder shall comply with RPS guidelines for Off-grid Areas, will the RE component be included in the rate computation or determination of the Lower 	<p>Yes, the RE TCGR will include in the Annex D for revision which is subject for bid bulletin.</p>



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	Calculated Bid?	
	<ul style="list-style-type: none"> The bidder intends to form a new co subsidiary for this project. Is this possible? What exact document(s) does the bidder need to show this? Can it provide an Accession Agreement? 	No, assignment of PSA is not allowed.
	<ul style="list-style-type: none"> What is OMECO's plan from Dec. 2019 to March 2020 when there is no power in the grid? Given all of these pending clarifications, may we formally request OMECO to consider extending the bid submission timeline for another 2 months. 	OMECO will request from the ERC to extend the transition period of OMCP.
	<ul style="list-style-type: none"> Another question sir, in relation po don sa source of power so open technology po tayo then if each technology po kasi meron pong specific na heat rate, so are you going to provide us po 'yong details? or the consanction details? 	The Bidder will declare the heat rate.
	<ul style="list-style-type: none"> Please be specific on the interconnection point of the power plant to NPC Substation and OMECO Substation. Please provide the new single line diagram (SLD) indicating the interconnection point and metering point, base NPC / OMECO approved specs / type / code to use. If possible asset boundaries be indicated in the SLD. Is this the latest SLD? May we request for a complete and clearer copy? 	OMECO will provide the SLD. In relation to asset boundaries the bidder shall coordinate with the NPC-SPUG. It is the responsibility of the winning bidder to make for the connection agreement with NPC-SPUG.
	<ul style="list-style-type: none"> Since the RE will have a separate billing meter, we suggest that there be separate tariffs for the 	The bidder shall show or submit the four tariff structures for each site and type of technology. However, the Winning



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	conventional and renewable technology.	Bidder and OMECO shall only apply to ERC the blended cost.
	<ul style="list-style-type: none"> Can we confirm that you will apply a “pass or fail” criteria for envelope two (2)? 	Yes
PSA Section 10.2.5	<ul style="list-style-type: none"> If the downward adjustment will affect viability of the project, the Seller should be given the option to terminate the contract. What happens if ERC approved rate makes project unviable? If EC forces the issue, NPP will eventually close shop. EC will still lose in the end. In case ERC reduces tariff, OMECO must still allow GENCO to fully recover its costs. 	Based on the TOR, downward adjustment in the price is not a ground for the termination of the contract. However, the Buyer and the Seller may negotiate for an acceptable price subject to the approval of ERC.
	<ul style="list-style-type: none"> Does it mean that Power Supplier can only be on “as metered basis” and power supplier takes the risk of its revenue level as there is no minimum contracted demand? 	Yes, no minimum energy off take.
	<ul style="list-style-type: none"> Since RPS compliance should have separate Metering point, please clarify if there is a specific location requirement for the RE plant that will be used for RPS compliance or it will be anywhere of SAMARICA, Sablayan or MAPSA? 	The bidder may choose the location but subject to the approval of the Buyer.
	<ul style="list-style-type: none"> Please confirm protocol for curtailment of capacity (if there is a possibility of such) 	Yes, during unavailability of transmission and distribution line.
PSA Section 1.13	<ul style="list-style-type: none"> Section 1.13 – Please confirm that only Eo 30 	Yes

REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	plants are eligible? or this can be applied for after winning the bid?	
	<ul style="list-style-type: none"> Are there any plans for OMECO to be connected to the Luzon/Visayas grid? 	NGCP has the plan to interconnect the Mindoro Island to the Luzon grid.
TOR No. 6	<ul style="list-style-type: none"> In relation to #6, what will happen if ERC does not approve the PSA before the target COD of March 25, 2020 but we have already installed our new plant? 	We will have to get the approval of the ERC prior to the supply for the new plant.
ITB Clause 12.1.3	<ul style="list-style-type: none"> In what form can we prove our financial capability? Would bank certificate suffice? or do we need to provide our financial statements? 	It was indicated in ITB Clause 12.1.3
ITB Clause 2.1	<ul style="list-style-type: none"> 2. Power Plant Output, 2.1...Any decrease of power output occurring in the frequency range of 59.7 Hz to 60.3 Hz... We'd like to confirm if this is a typo error? As per PDC-2016 4.5.1.1 page 52, stated 59.7 Hz to 57.6 Hz 	No, the frequency range of 59.7 Hz to 60.3 Hz is based on the Section 3.2.2 of the PDC-2016 edition.
ITB Annex G – 2	<ul style="list-style-type: none"> Operating Parameters item 6. The winning bidder must allow the buyer to set its distribution protection a three trips to lockout. Does the three (3) trips refer to recloser? 	Yes, it refers to the recloser.
ITB Clause 16.1	<ul style="list-style-type: none"> Please justify why the Bid Security is 10% of the required Net Worth. 	2% of the reference estimated cost of Project
ITB Clause 29.1	<ul style="list-style-type: none"> We propose that the Performance Security be allowed to be in the form of an Insurance Bond or Surety Bond. We suggest that the Guarantee or Performance Bond be accepted as Performance Security. 	No, we will maintain the form of performance security as stated in ITB 29.
TOR No. 7	<ul style="list-style-type: none"> Considering that Item 7 of 	Two (2) years for interim



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>Term of Reference, provides for schedule of delivery in different capacities in three indicated delivery points, how shall the 15 years contract duration be reckoned? This has an impact on the recovery of investment and the period we shall use in our investment parameter and rate to be offered.</p>	<p>demand requirement and thirteen (13) years for the new generating capacity.</p>
ITB 12.1.1. g)	<ul style="list-style-type: none"> • Is the Certificate of Good Standing/Performance being requested similar to the certificate being requested in "ITB 12 Eligibility Requirements, Item 12.1.1.g"? <p>If not, does this pertain to the Certificate of Good Business Standing issued by the Securities and Exchange Commission?</p>	<p>Yes</p>
ITB 7	<ul style="list-style-type: none"> • Would the OMECO TPBAC be sending these to the bidders during the Due Diligence period (October 11-24, 2019)? <p>Kindly advise on the OMECO TPBAC's expected provision of the listed documents.</p>	<p>The Bidders are required to personally secure all documents related in the conduct of Due Diligence from October 11 to November 15 at OMECO TPBAC Office 8:00 AM to 5:00 PM.</p>
ITB Clause 12.1.1 (f)(ii)	<ul style="list-style-type: none"> • Would the OMECO TPBAC be accepting a Tax Clearance from the BIR which has a recently expired validity? (i.e. Bidder has a Tax Clearance issued on October 25, 2018, and is valid until October 25, 2019) 	<p>The TPBAC may accept, provided there is a proof of application for renewal from BIR.</p>
	<ul style="list-style-type: none"> • Would the OMECO TPBAC consider a similar notarized certification from a client transmission utility 	<p>No, only from Distribution Utility.</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	(e.g. National Transmission Corporation), instead of a distribution utility?	
ITB 17 and 18	<ul style="list-style-type: none"> • How many copies are the OMECO TPBAC requiring? • The Bidder shall submit copies of the first, second and their envelopes. How many copies are required to be submitted? 	Please refer to ITB 17 and 18.
	<ul style="list-style-type: none"> • 1. Realizing the risk of this project due to on-going legal case regarding the issue of the termination of EPI's live PSA, we would like to request the full disclosure of the case and its status. Please discuss also the case and moving forward and the estimated timelines and milestones. What are your expectations on the proceedings? • 2. Could OMECO award the contract after the EPI v. OMECO case is finally resolved in order to avoid stranded assets and legal complications of the winning bidder. • 3. Otherwise, if award is given and the winning bidder puts up the power plant facilities, and then the decision of the case is in the favor of the continuation of operation of OMCPC (or at least an injunction is issued to prevent the operation of new plant), how will OMECO protect the investments of the winning bidder? Can OMECO guarantee to uphold its 	We will provide the status of the case and assessment.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>new PSA with the winning bidder? What form of guarantee can OMECO provide?</p> <ul style="list-style-type: none"> • It have been known that there is a dispute between OMECO and OMCP on its current PSA. What guarantee OMECO can give that OMECO's dispute with OMCP will not cause to affect the execution / implementation of the CSP or affect to the Winning Bidder. In case the dispute cause to stop the execution or implementation of the PSA of the Winning Bidder due to court order i.e. TRO, will OMECO reimburse or return all expenses made including the performance security bond of the Winning Bidder? • We can only serve minds that rules of law or decisions can take so long and then suddenly just come out what happens if and then all the investment already comes so along that line, ano kaya ang assurance ng Bidder o ng Winning Bidder that they will be put-in to a good position naman kasi just like what is now, they invested so much and now they're also in trouble of being terminated na biglaan din, I actually saw they table there, I'm sure that they must be taking by sitting down so s'yempre alam namin na hinahabol din nila 'to, so along this line, what happens if we get 	



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>caught on the cross-fire?</p> <ul style="list-style-type: none"> The Need for Full Disclosure. In the interest of full and complete disclosure, are there other pending cases that OMECO faces besides a TRO that was already revealed during the pre-bid conference? Should there be adverse ruling/s or judgement/s against OMECO resulting either in project suspension or cancellation, will there be special provisions in the PSA that will protect the winning bidder against losses? 	
	<ul style="list-style-type: none"> Site Selection. Given the short time period between pre-bid conference and bid submission date, putting the onus of site selection on the bidders would give the bidders with familiarity of Occidental Mindoro and with prior knowledge of the OMECO Project with unfair advantage. If we add to the above the other requirements for the bid submission, a month's preparation is not sufficient time. Would TPBAC kindly consider an extension of time for the bid submission, please? 	<p>Kindly refer to the new schedule of bid submission and opening.</p>
TOR No. 26	<ul style="list-style-type: none"> Do we need to have secured land before submitting our bid? 	<p>Yes, through purchase or by lease.</p>
	<ul style="list-style-type: none"> Is there a template for the Certificate of Good Standing/Performance? 	<p>None.</p>
ITB Clause 12.5	<ul style="list-style-type: none"> What is considered a "minor deviation" that could affect the substance of the bid? 	<p>For example, arithmetical corrections.</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
ITB Clause 27.2	<ul style="list-style-type: none"> The instruction to bidders states that “notice of Award duly received by the Bidder or its representative personally or sent by registered mail or courier or electronically receipt of which must be confirmed in writing within two (2) days by the Bidder with the LCRB and submitted personally or sent by registered mail or courier or electronically to OMECO.” Please clarify if confirmation of receipt of Notice of Award is “calendar” or “working” days. 	Calendar days
	<ul style="list-style-type: none"> Is it possible, to have 1 winner for each area/location thus a total of 3 winners? 	No.
ITB 12.1.1 (e)	<ul style="list-style-type: none"> In folder 1 (Legal Documents Requirements) item e, we are required to submit a valid and updated license such as a COC issued by ERC and a Service Contract/Certificate of Commerciality from DOE. We understand that the Service Contract issued by DOE is for Renewable Energy (RE). Thus, we cannot provide this if our main technology is not RE. If we apply, it will also take a long time. May we clarify if we can submit either a 1) COC issued by ERC or a 2) Service Contract issued by DOE as proof of our valid and updated license? Is the service contract also required to be submitted or either of the 2? Service 	Whatever is applicable as long as it is valid and updated.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	Contract should be required at least before COD, not upon bid submission considering that only one shall be declared as winning bidder	
	<ul style="list-style-type: none"> Confirm that bidding for only 1 load center is not allowed for the contract years 2022 – 2035? 	Bidders are not allowed to bid for one site only.
ITB Clause 10.5	<ul style="list-style-type: none"> What is the mode of payment for the minutes of the Pre-bid conference? How can we secure the document? 	Cash. Kindly refer to ITB Clause 10.5.
	<ul style="list-style-type: none"> Can we submit PDF (password protected) aside from Excel format (password protected) of the Financial Proposal? 	Yes
	<ul style="list-style-type: none"> OMEKO must provide the specifications for monitoring system it desires? 	It's the sole discretion of the Winning Bidder to decide which system will be used by OMEKO in monitoring its 24/7 plant status and output.
PSA Section 13.4	<ul style="list-style-type: none"> We suggest a revision of this provision to include both planned and forced outages due to both parties. 	We will maintain the provision. However, the guidelines on the notification of the distribution line planned outages will be included in the dispatch protocol.
	<ul style="list-style-type: none"> Kindly provide the draft contents of the Schedules. 	Yes, we will provide the contents of the Schedules.
PSA Section 11.1.3	<ul style="list-style-type: none"> Considering that the basis of the payment of the Buyer is the rate schedule in the ERC approved PSA, does this mean that the entire billing of the Seller shall be paid by OMEKO and thus there will be no more subsidy availment? What is the measure of cost of foregone revenue and surcharge? 	We will provide the contents of the Schedule A of PSA.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
PSA Section 13	<ul style="list-style-type: none"> How will the CRF be reduced? Please provide illustration for the computation of CRF reduction. How will the kilowatt-hour forgone be computed? 	The computation shall be shown in Schedule A of the PSA.
PSA Section 15.1.2	<ul style="list-style-type: none"> This is inconsistent with that provided under the Terms of Reference where the unit is PHP/kW/month. Please provide clarity on this matter. 	We will provide the sample computation in Schedule A indicated in Section 15.1 PSA.
PSA Section 11.1, in relation to Schedule F	<ul style="list-style-type: none"> Please provide of the contents of Schedule F on Demand Requirement and Associated Energy. 	We will provide the contents of Schedule F.
PSA Section 11.1.2	<ul style="list-style-type: none"> As provided in the Terms of Reference (TOR), both the Capital Recovery Fees and Fixed Operations and Maintenance Fees are expressed in Peso per kilowatt per month (PhP/kW/month). There is inconsistency in the TOR and the draft PSA. What is the purpose of translating the Capital Recovery Fees to Peso per kilowatt-hour (PhP/kWh)? We suggest to rephrase this provision, as follows: The Seller shall charge the Contracted Capacity Fees based on the contracted capacity not on the actual available capacity. 	The purpose of this is to compute the TCGR.
PSA Section 11.1.3	<ul style="list-style-type: none"> What is the purpose of translating the rate under the PSA to Peso per kilowatt-hour? 	To determine the TCGR for the computation of Peso per kilowatt-hour.
PSA Section 12.3	<ul style="list-style-type: none"> We suggest that the basis of Commissioning Energy Fees instead be the SAGR, so that the winning bidder 	No, the Commissioning fee shall be in accordance with PSA Section 12.3.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>will not have to wait for the ERC's provisional or final approval of the PSA.</p>	
	<ul style="list-style-type: none"> • 1. Kindly clarify the allocation of costs and revenues in this case. 2. The capacity in excess of the contracted capacity should be for the sole account of the Seller. • The deducted capacity from the contracted capacity must be solely managed by the Buyer. • In the event that the Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid, and the Subsidy from UC-ME is removed, <ul style="list-style-type: none"> a. Will OMECO continue to pay the TCGR in the contract? How would this actually work? What actions would OMECO take to ensure that it will continue to pay the TGCR rate to the winning bidder? b. What is the premise by, "the Parties shall negotiate to optimize the Contracted Capacity" • In the event that the Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid – The contracted capacity should be respected (sanctity of the contract) for the unserved portion of the contract period. • In the event that the 	<p>We will enter into Risk Mitigation Agreement subject to policy and regulations to be issued by DOE and ERC in the event of interconnection.</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid – The contracted capacity should be respected (sanctity of the contract) for the unserved portion of the contract period. Seller agrees to enter into an ancillary contract in the event of the main grid connection as long as we can still reasonably recover our investment which is premised on the terms of the bid.</p> <ul style="list-style-type: none"> • "In the event that Mindoro Island grid is interconnected to the Luzon or Visayas Grid, Parties shall negotiate to optimize the Contracted Capacity in the Electricity Market.... WESM, bilateral contracting... and Ancillary services" Please clarify who will cover/gain the difference? In case the WESM price is lower compared to the agreed tariff and vice versa? • The terms of reference states that "in the event that the Mindoro Island Grid is interconnected to the Luzon or Visayas Grid and the Subsidy form UCME is removed, the Parties shall negotiate to optimize the Contracted Capacity in the Electricity Market including WESM." Does this mean possible cancellation of PSA (similar to item 25 of the terms of reference)? May we clarify what you mean 	



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>by optimize?</p> <ul style="list-style-type: none"> • We will agree on the provision 11.2.1 provided that the Buyer's investment will not be affected. • Please clarify how this will affect the contract? If now connected to the grid is there an intent to reduce cost, capacity or contract duration? (this will be acceptable of under the RCOA scheme) • If the contracted capacity will be reduced due to RCOA? How are we protected as IPP? Can we modify the PSA to update the price? • About the second issue po na naraise ko, 'yon naman po 'yong tungkol sa when the interconnection happens ano po ang ahh mabibigay na assurance naman on the part of the recovery of the investment of the Winning Bidder, if something happens in five years and we will be projecting this for fifteen years, papano po 'yon sir? 	
	<ul style="list-style-type: none"> • What will happen if DOE did not grant the winning bidder to be classified as project under EO 30? 	<p>Adopt the normal procedure.</p>
	<ul style="list-style-type: none"> • If there will be two or more power providers, how will the reduction in the Buyer's capacity and energy requirements be shared by the power providers? 	<p>Not related to this bidding.</p>
	<ul style="list-style-type: none"> • We propose amending section 11.1.4 to reflect our 	<p>We will maintain the provision.</p>



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>proposal to respect the sanctity of contract and to include recovery mechanisms through an ancillary contract.</p> <ul style="list-style-type: none"> • The provisions under 13.3, 13.4 and 13.5 are irrelevant given that there will be no allocation for outage allowance. Please clarify. • We suggest to rephrase this provision, as follows: The Seller shall supply the demand and energy requirements of the Buyer both in Interim Demand Requirements and New Generating Capacity set out in Schedule F subject to the terms and conditions in this Agreement. • We suggest the revision of this Section 13.2. for clarity and avoidance of doubt. • We suggest the deletion of this section. The PSA is the final product of all the documents listed in Section 1. To incorporate those documents by reference will create confusion and possible conflict. Moreover, this Section is inconsistent with the Entire Agreement clause under Section 32.4. • Can the 5% amount be lowered? In addition, we prefer Performance Security in the form of Insurance Bond or Surety Bond. 	
PSA Section 14.5	<ul style="list-style-type: none"> • Can we confirm that the Seller will be paid the fixed components of the tariff for 	Yes.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	the total contracted capacity even if the Buyer does not dispatch this?	
	<ul style="list-style-type: none"> In the event that the Mindoro Island Grid is inter connected to the Luzon or Visayas Grid and a contestable customer choose to be supplied by other RES the Contracted Capacity shall be reduce. Any indication as to timeline of interconnection with the main grid? 	No timeline yet.
PSA Section 30.2	<ul style="list-style-type: none"> The Risk Mitigation Agreement should be entered into by the parties prior to the filing of ERC application for approval of the PSA. 	Yes.
	<ul style="list-style-type: none"> In view of the statement in Section 20.1.1, we propose the deletion of Section 19.5.3.2, for consistency and clarity. 	There's no need to delete 19.5.3.2 as the provision only refers to liquidated damages and how it is computed. On the other hand, section 20.1.1 refers to damages other than liquidated damages.
PSA Section 24.2	<ul style="list-style-type: none"> In as much as some of the Confidential Information may be commercially sensitive on the part of the Winning Bidder, we propose that its prior written consent be secured before such Confidential Information may be disclosed to the identified persons in this Section. 	Prior written consent of the Seller is not necessary for the submission of documents to the government agencies mentioned. Likewise, consent of the seller is not necessary if the information or documents will be given to legal counsel.
	<ul style="list-style-type: none"> In the event that OMECO-ORMECO interconnection loop is completed (expected end 2020?), is OMECO prepared to settle imbalances between generation and consumption in the Mindoro grid? 	For further clarification with the Bidder.



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<ul style="list-style-type: none"> In case there will be new power provider, the Seller shall be prioritized in the order of payment over the new provider. 	We can pay both power providers.
	<ul style="list-style-type: none"> Please clarify what is meant by the EC should not be made to shoulder incremental difference? 	The buyer shall only pay what is approved by the ERC.
	<ul style="list-style-type: none"> Can we terminate earlier the interim power supply agreement in case the new permanent generating capacity is available before the expiration of the interim power supply? The winning bidder shall start to deliver and operate an interim demand requirement on 25 March 2020 either through rentals or modular generating units until 25 March 2022 wherein the winning bidder begins its regular operation. Can the new generating plants commence operation earlier than 2022? 	We will follow the schedule.
	<ul style="list-style-type: none"> Sir if there will be a delay in permits, we did not have enough time for two years, 'yon po bang interim power supply natin can be extended? Let's say for example it's beyond our control po nagkaron ng delay on our permit issuance? 	Kindly refer to Section 9.3.1 of PSA.
	<ul style="list-style-type: none"> On the ERC Approval, are we speaking or Final Approval or just Provisional Authority and/or Interim Relief? 	Provisional Authority is allowed.
	<ul style="list-style-type: none"> Please define/enumerate instances of Force Majeure. 	Kindly refer to PSA Section 29 (Force Majeure).



REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<ul style="list-style-type: none"> • Please define Force Majeure that will allow non penalty for the Power Supplier not being able to deliver power. 	
	<ul style="list-style-type: none"> • Are we allowed to provide comments/changes in the PSA? Such as expanding the coverage of Force Majeure and/or Excused Delay Events thus extending the COD? 	Yes
	<ul style="list-style-type: none"> • How are the outages deducted from the CRF? 	Kindly refer to PSA Section 13.2.

This Bid Bulletin No. 04, Series of 2019 shall form part of the Bidding Documents. Any provisions in the Bidding Documents inconsistent herewith is hereby amended, modified and superseded accordingly.

For information of all concerned.

FOR THE TPBAC:


CELSO D. GARCIA
 TPBAC Chairman