



## REGION 8 JOINT COMPETITIVE POWER SUPPLY PROCUREMENT (R8 JCPSP)

**REFERENCE** : **SUPPLEMENTAL BID BULLETIN NO. 05**  
**ISSUE DATE** : **MAY 18, 2024**  
**FOR** : **ALL BIDDERS**

**SUBJECT** : **AMENDMENTS TO THE DRAFT POWER SUPPLY AGREEMENT (PSA)**

Pursuant to the Department of Energy (“DOE”) Circular No. DC2023-06-0021, ERC Resolution No. 16, Series of 2023 and the NEA Memorandum No. 2023-057, the R8 JCPSP Joint Bids and Awards Committee (JBAC), hereby issues the following amendments.

ITEM	DRAFT PSA PROVISION	AMENDMENT
1	<b>SECTION 4.4</b> <b>REDUCTION OF CONTRACT CAPACITY</b>	From time to time upon and after the implementation of Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Renewable Portfolio Standards (RPS), Metering programs, and other similar government programs, Buyer shall deliver to Seller written notice within 30 calendar days prior to the target effectivity specifying the reduction in Contract Capacity resulting from the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs, indicating when such reductions shall take place. Any such reduction shall be limited to an amount that will allow the Buyer to comply with its obligation to supply the electricity in the least cost manner to its captive market except



		for such reduction of the amount of Contract Capacity to be specified by Buyer (including the resulting reduction in payments payable under this Agreement), all other terms and conditions of this Agreement shall remain in full force and effect, subject to the approval by the ERC. The protocol to implement the reduction of the Contract Capacity shall be in accordance with Schedule 6.
2	<b>SECTION 4.6 SCHEDULED OUTAGES</b>	<p><b>Section 4.6.5</b> Buyer may, upon (____) Days prior written notice, require the Seller to reschedule a Scheduled Outage; provided, however, that Buyer shall not request that such Scheduled Outage be rescheduled in a manner or time outside the Minimum Functional Specifications as enumerated in Section 4.6.1 to 4.6.4 hereof.</p>
3	<b>SECTION 4.8 REPLACEMENT POWER</b>	<p><b>Section 4.8.2</b> Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage, including delay in the Commencement of Delivery (COD) shall be the responsibility of the Seller. The rates to be billed for the procurement of Replacement Power shall be the generation rate equivalent to the provisional or final approved generation rate, or the actual rate of the replacement power, whichever is lower.</p>



4	<p style="text-align: center;"><b>SECTION 4.9 TRANSMISSION AND INTERCONNECTION</b></p>	<p><b>Section 4.9.4</b> The BUYER shall not be liable for any reasons of failure by the Transmission Utility to transmit the Contracted Capacity as stated in Section 4.9.3 hereof.</p> <p>In the event that the BUYER did not meet the 65% minimum Contracted Capacity due to the rotational brownout of the System Operator or any failure on the part of the Transmission Utility as mentioned in Section 4.9.3 of this Agreement, the BUYER shall only be obliged to pay the actual capacity delivered within the relevant Billing Period. Moreover, all other fees shall also be calculated based on the actual capacity delivered within the relevant Billing Period.</p>
5	<p style="text-align: center;"><b>SECTION 5 COMPENSATION, PAYMENT AND BILLING</b></p>	<p><b>Section 5.3</b> Without necessity of demand, the Buyer shall pay the Seller the Electricity Fee as stated in such a billing statement, not later than the twenty-fifth (25th) of the calendar month following the close of a Billing Period ("Due Date"). If the last day of the Payment Period falls on a non-working day, payment shall be due on the next working day. Should the Seller deliver the bill beyond the allowable period, the due date shall also be extended equivalent to the number of days of the delay. Moreover, the Seller shall issue the corresponding Official Receipt upon the receipt of the payment. The Buyer shall pay the Amount Due to an account designated by the Seller either by electronic fund transfer or by other mutually agreed alternative method.</p>



**Section 5.9  
Interest for Late Payment**

If any amount payable by the Buyer is not paid on Due Date:

- (a) The amount unpaid shall bear a daily interest, at a rate of twelve percent (12%) per annum, computed on a 360-day basis;
- (b) If any invoice from the Seller is overdue for more than six (6) months, the Buyer shall pay an additional penalty of one percent (1%) per month for every additional month of delay beyond (6) months; and
- (c) Seller has the right to immediately suspend the delivery of electricity and declare Basic Energy Charges for electricity supplied but not invoiced immediately due and payable, whereupon Buyer shall pay such Basic Energy Charges immediately upon delivery by Seller of the corresponding invoice to Buyer.



6	<p align="center"><b>SECTION 7 DEFAULTS AND TERMINATION</b></p>	<p><b>Section 7.2 Events of Default</b></p> <p>Each of the events described below shall constitute an Event of Default, provided that such events result to, in the case of the Seller, an actual failure to deliver to the Buyer of the required Contract Capacity where such failure exceeds Allowed Outage and an actual failure to provide Replacement; or, in the case of the Buyer, an actual failure to accept from, or pay to, the Seller the (Monthly Payments). An "Event of Default" shall mean, with respect to the relevant Party (such Party being, with respect to the Event of Default, a "Defaulting Party" and the other Party being the "Non-Defaulting Party"):</p>
7	<p align="center"><b>SECTION 6 FORCE MAJEURE</b></p>	<p><b>Section 6.1.4 (d)</b> Other Events or Force Majeure (Force Majeure-Acts of Man). Force Majeure events occurring in or directly affecting the Philippines include:</p> <p>(d) Transmission failure and System Operator Curtailment, or acts of any third party that may materially affect the capability of Buyer to draw power from the NGCP grid, or the inability of the Seller to deliver due to the same event, which is unforeseen and could not reasonably be expected or is beyond the control of the affected party, except line congestions on the existing facilities of the Buyer or the Seller to the Grid.</p>



8	<p style="text-align: center;"><b>SECTION 10 NOTICES</b></p>	<p><b>Section 10.1 Address for Notices</b></p> <p>Any notice, communication, request or correspondence (each a "notice") required or permitted under the terms and conditions of this Agreement shall be in writing, in English or Filipino language (it being understood that any such communication or paper in a language other than the same shall be of no force or effect), and shall be (a) delivered personally, (b) transmitted by electronic mail and either (i) recipient acknowledges receipt to sender or (ii) sender delivers to the recipient a transmission confirmation, (c) pre-paid post or overnight courier; to the following addresses:</p>
9	<p style="text-align: center;"><b>SECTION 11 MISCELLANEOUS PROVISIONS</b></p>	<p><b>Section 11.1 SECURITY DEPOSIT</b></p> <p>11.1.1 Pre-condition for Security Deposit. There shall be no security deposit requirement on the part of the Buyer upon commencement of delivery. However, the Seller shall have the right to require the Buyer to post the Security Deposit when the Buyer fails to make any payment in full under this Agreement when due and payable.</p> <p>11.1.2 Amount. The Security Deposit shall be equivalent to one hundred percent (100%) of the highest Monthly Power Bill for the preceding three (3) months.</p>



		<p>11.1.3 Form. The Security Deposit shall be in the form of cash or irrevocable standby letter of credit issued by banks or security companies acceptable to the Seller which shall be posted within two (2) months from the Buyer's receipt of a written notice thereof from the Seller.</p> <p>11.1.4 Suspension of Security Deposit. The Seller agrees to suspend the requirement for Security Deposit if the Buyer consistently paid its Monthly Power Bill after six (6) consecutive months following the posting of Security Deposit as stated in Section 11.1.1.</p> <p>11.1.5 Replenishment. If at any time (and from time to time), the Security Deposit is drawn partially or fully by the Seller, the Buyer shall replenish or replace the Security Deposit not later than thirty (30) calendar days from notice by the Seller.</p>
10	<p><b>SCHEDULE 1 DEFINITIONS</b></p>	<p><b>“Replacement Power”</b> - The energy from an alternative source responsible to be delivered by the Seller to Buyer at a price not exceeding than the price set in the Agreement.</p> <p><b>“Year”</b> – Each twelve (12) Month period commencing on 12:00 midnight on December 26 and ending on 12:00 midnight the following December 25 during the term of this agreement.</p>



11	<p align="center"><b>SCHEDULE 5 MONTHLY PAYMENT, INDEXATION AND ADJUSTMENT</b></p>	<p>The Buyer shall pay the Seller for the Energy/Capacity at the following Fees and as adjusted on a monthly basis pursuant to the following formula:</p> <p align="center"><b>TGC = CRF + FOM + VOM<sub>Adj</sub> + FF<sub>Adj</sub></b></p>
12	<p align="center"><b>SCHEDULE 6 REDUCTION OF CONTRACT CAPACITY PROTOCOL</b></p>	<p>Added. Please refer to Draft PSA Schedule 6 – Reduction of Contract Capacity Protocol</p>

Approved By : R8 JCPSP JBAC

  
**JANET L. NOTARTE, REE**

R8 JCPSP JBAC – Chairman  
 May 18, 2024