

REGION 8 JOINT COMPETITIVE POWER SUPPLY PROCUREMENT (R8 JCPSP)

REFERENCE:SUPPLEMENTAL BID BULLETIN NO. 06ISSUE DATE:JUNE 8, 2024FOR:ALL BIDDERS

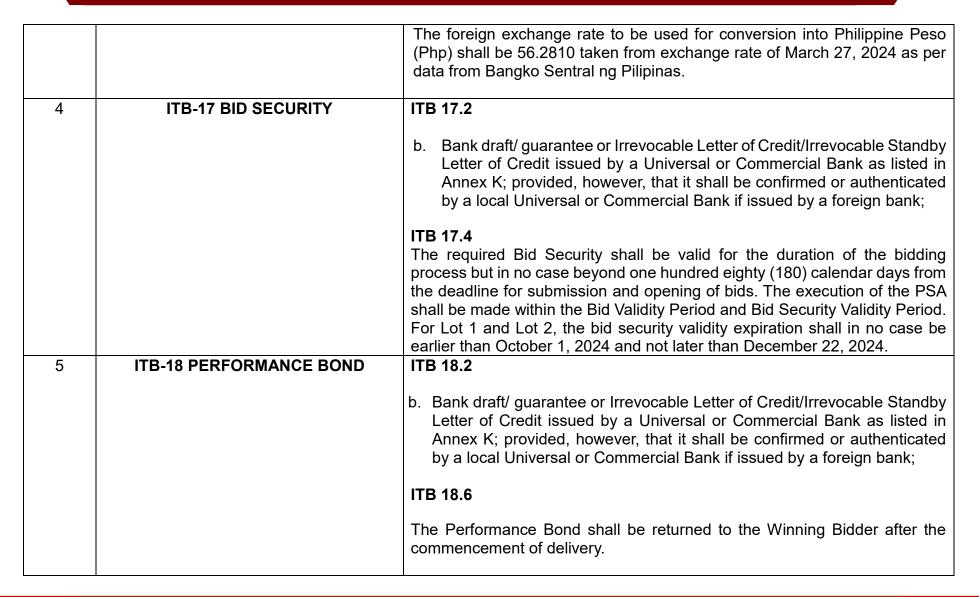
SUBJECT : ADDITIONAL AMENDMENTS TO THE INSTRUCTION TO BIDDERS (ITB)

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	ITB PROVISION	AMENDMENT
1	ITB – 8 ELIGIBLE BIDDERS	ITB 8.4 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by any government or other entity in accordance with <u><i>ITB-33.</i></u>
2	ITB – 9 ELIGIBILITY REQUIREMENTS FOR BIDDERS	 (h) A valid and updated license, such as Certificate of Compliance of GENCO issued by Energy Regulatory Commission (ERC) and Notarized document/certificate of being an IPPA (for IPPAs only)
3	ITB-14 CURRENCIES OF BIDS AND PAYMENT	ITB 14.4



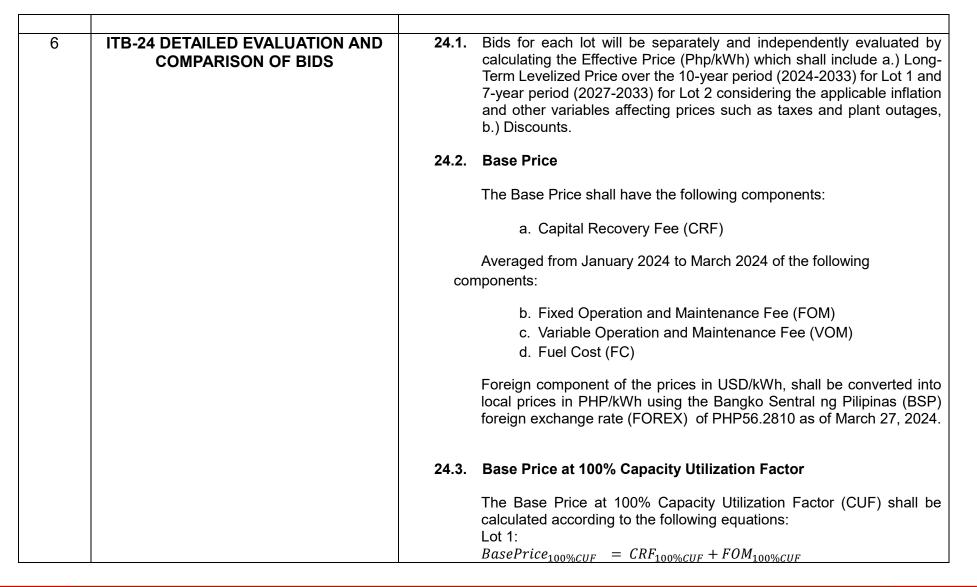








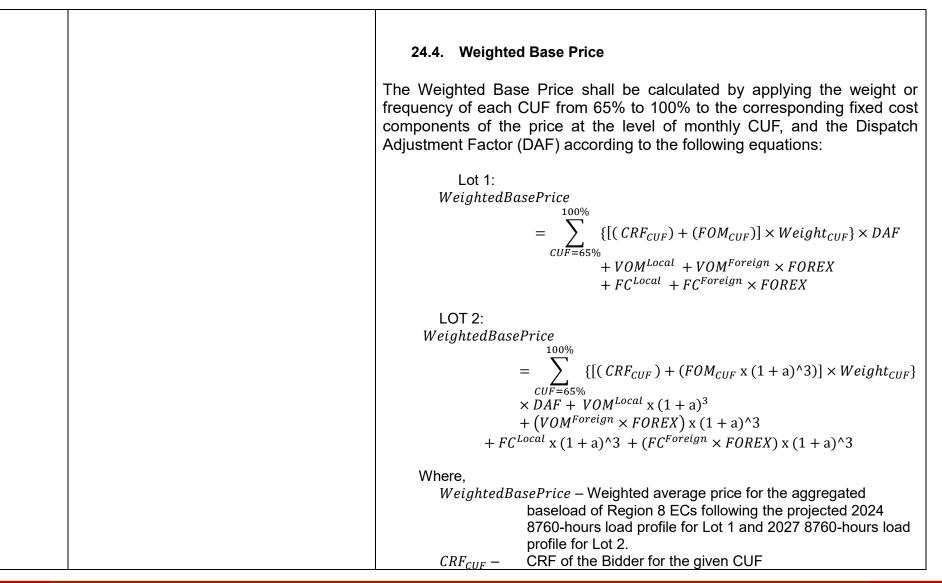






$+ VOM^{Local} + VOM^{Foreign} \times FOREX$
$+ FC^{Local} + FC^{Foreign} \times FOREX$
Lot 2:
$BasePrice_{100\%CUF} = CRF_{100\%CUF} + (FOM_{100\%CUF}) \times (1 + a)^{3} + (VOM^{Local} + VOM^{Foreign} \times FOREX) \times (1 + a)^{3}$
+ $(FC^{Local} + FC^{Foreign} \times FOREX) \times (1 + a)^3$
Where,
BasePrice _{100%CUF} – Base Price at 100% CUF in Php/kWh
$CRF_{100\%CUF}$ – 100% CUF to capture the CRF of the Bidder (the same value of CRF shall be used in the actual PSA implementation)
For evaluation, the following price components shall be averaged from January 2024 to March 2024.
FOM _{100%CUF} –100% CUF to capture the FOM
FC^{Local} to capture the local component of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant
<i>FC^{Foreign}</i> — to capture foreign component of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant
VOM^{Local} to capture local component of the non-fuel costs such as variable O&M
<i>V0M^{Foreign}</i> – to capture foreign component of non-fuel costs such as variable O&M
 a – Philippine inflation rate to be applied to the FOM and VOM, and Fuel Cost.









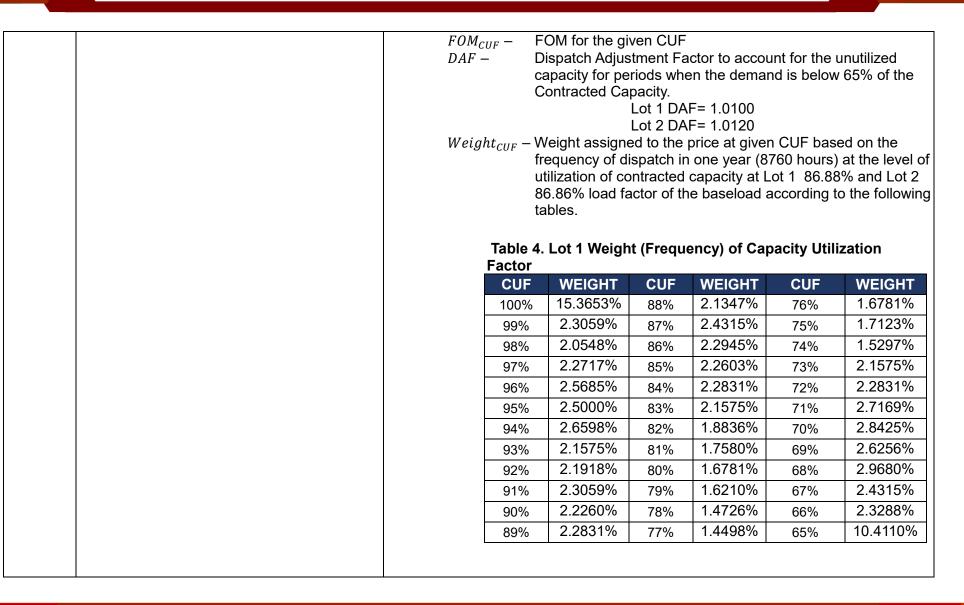
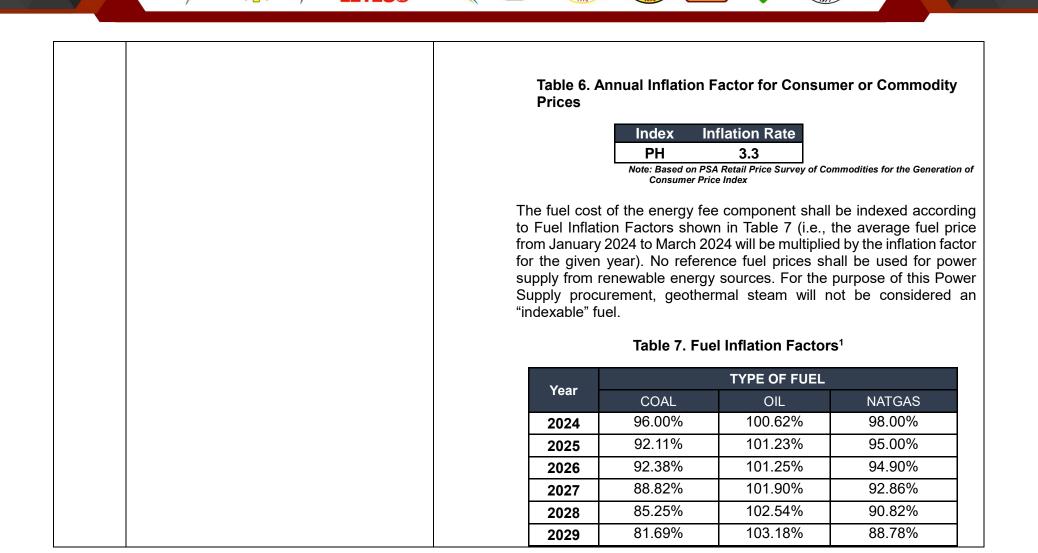


Table 5. Lot 2 Weight (Frequency) of Capacity Utilization Factor **WEIGHT** CUF WEIGHT CUF WEIGHT CUF 15.4224% 2.1233% 1.6438% 88% 100% 76% 2.3858% 2.2831% 1.7009% 99% 87% 75% 2.5571% 2.1005% 1.8493% 98% 86% 74% 2.2260% 1.7009% 2.0434% 97% 85% 73% 1.9521% 2.3630% 84% 2.3059% 96% 72% 2.6484% 2.1347% 2.7511% 83% 71% 95% 2.4658% 1.8607% 2.8995% 82% 70% 94% 2.2603% 1.7694% 2.8539% 93% 81% 69% 2.1119% 80% 1.5068% 68% 2.5799% 92% 1.7352% 2.0091% 2.4087% 91% 79% 67% 2.0091% 1.4954% 2.5685% 90% 78% 66% 2.3288% 1.3356% 11.6096% 89% 77% 65%

24.5. Bid Price Offer

For purposes of evaluation, the price offered by the bidder/s shall be escalated by the given annual inflation factors (Table 6 and Table 7) to determine the projected price for contract years 2024 to 2033 for Lot 1 and 2027 to 2033 for Lot 2. The CRF component shall not be subject to inflation. The Annual Inflation Rate as shown in Table 6 shall be used to inflate FOM and the applicable percentage for the VOM, including Fuel Cost (if Firm offer).

For purposes of evaluation, the average Philippine Inflation Rate for January 2024 to March 2024 based on Philippine Statistics Authority (PSA) retail price survey of commodities for the generation of consumer price index shall be used.

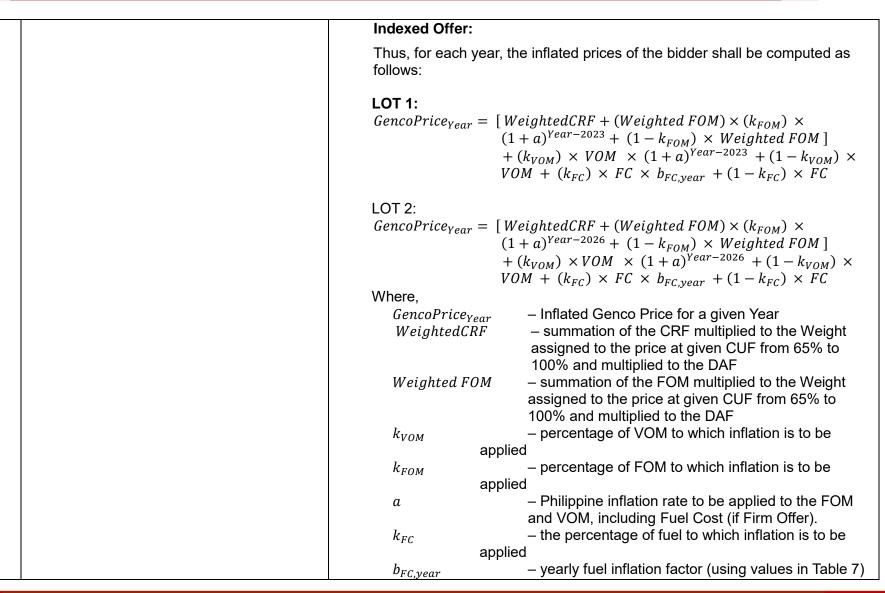


¹ Fuel Inflation factors are based on World Bank Commodities Price Forecast (Nominal US Dollars) released on October 21, 2021.

78.13% 103.82% 86.73% 2030 75.23% 104.46% 84.69% 2031 72.34% 105.11% 82.65% 2032 69.44% 105.75% 80.61% 2033 Firm Offer: Thus, for each year, the inflated prices of the bidder shall be computed as follows: LOT 1: $GencoPrice_{Year}$ = [WeightedCRF + (Weighted FOM) × (k_{FOM}) × $(1 + a)^{Year-2023}$ + $(1 - k_{FOM}) \times Weighted FOM]$ + $(VOM + FC) \times (1 + a)^{Year - 2023}$ LOT 2: $GencoPrice_{Year}$ = [WeightedCRF + (Weighted FOM) × (k_{FOM}) × $(1 + a)^{Year-2026}$ + $(1 - k_{FOM}) \times Weighted FOM]$ + $(VOM + FC) \times (1 + a)^{Year-2026}$



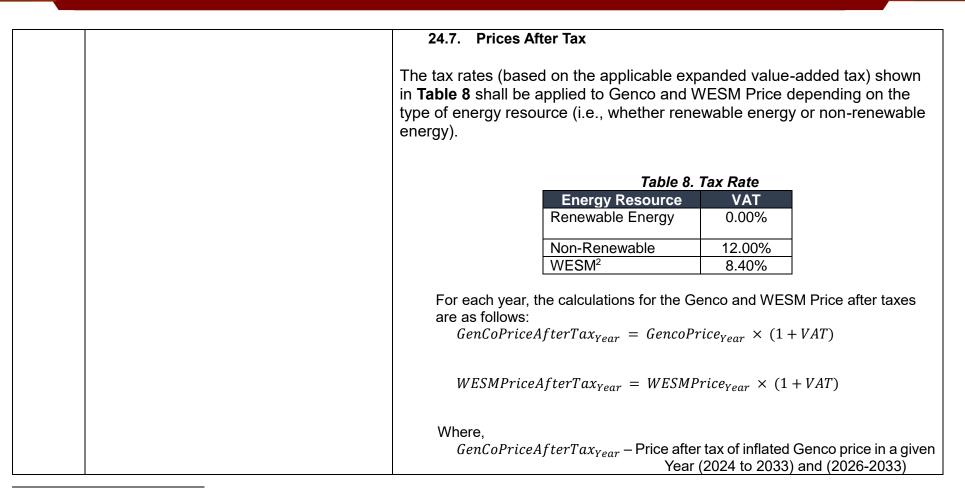








24.6. WESM Price For evaluation of Proposals with Allowed Outages, the Genco Price will be substituted with a WESM Price that shall be applied to the total energy that will not be delivered by the Genco due to the outages. The inflated WESM Price in a given Year (2024 to 2033) and (2026-2033) shall be calculated as follows: LOT 1: $WESMPrice_{Year} = WESMPrice_{2023} \times (1 + a)^{Year - 2023}$ LOT 2: $WESMPrice_{2026} = WESMPrice_{2023} \times (1+a)^3$ Where. WESMPrice_{Year} – Inflated WESM Price for a given Year (2024 to 2033), WESMPrice₂₀₂₆ – Inflated WESM Price for a given Year (2026 to 2033). WESMPrice₂₀₂₃ = PHP 8.1190/kWh (Average WESM Price during GENCO's outages).



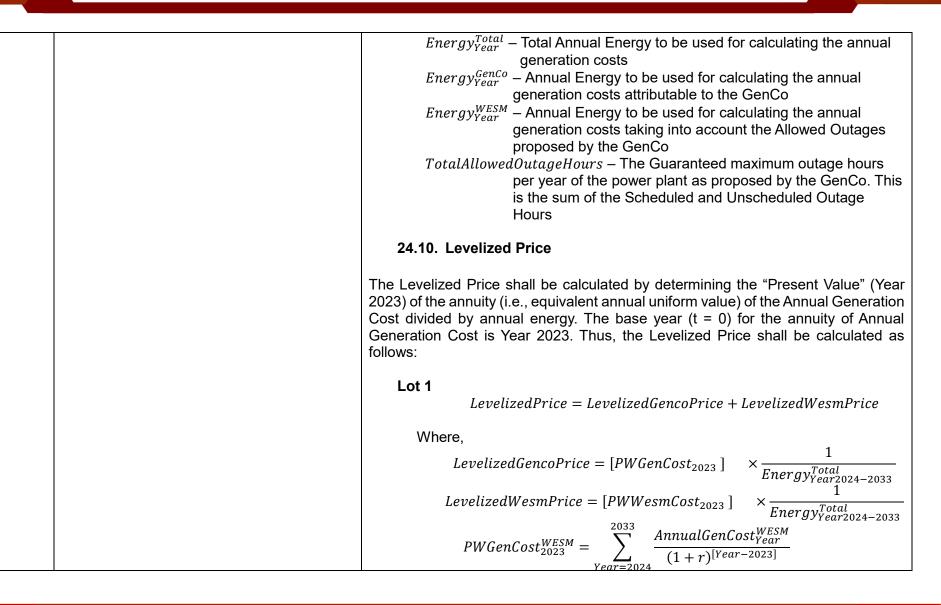
² Quantities traded in WESM is assumed to be 70% non-renewable energy

³ Annual Energy computed Lot 1 162 MW for 8760 hours based on the 86.88% load factor of the aggregated baseload of Region 8 ECs, and

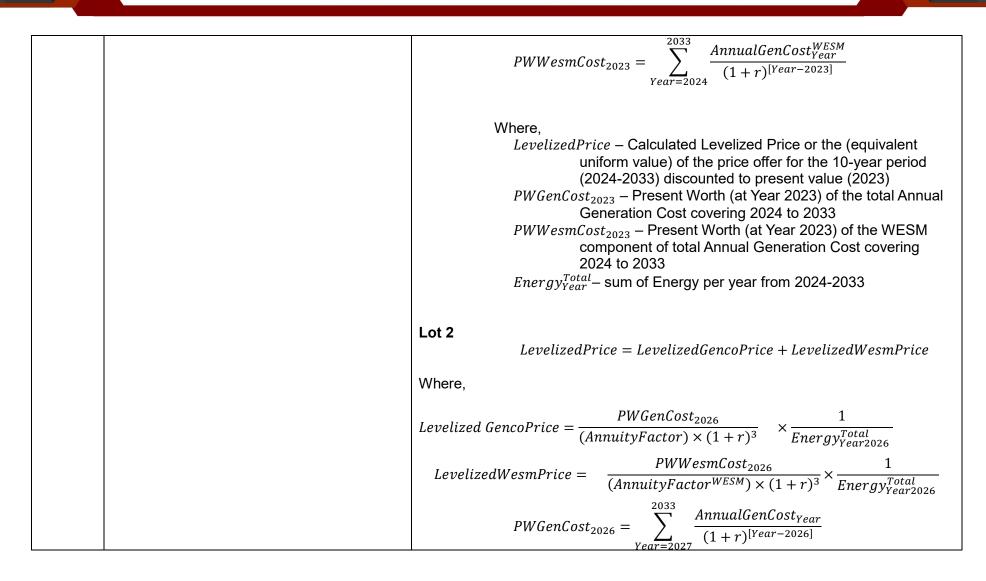
 $^4 Lot~2~28$ MW for 8760 hours based on the 86.86% load factor of the aggregated baseload of Region 8 ECs

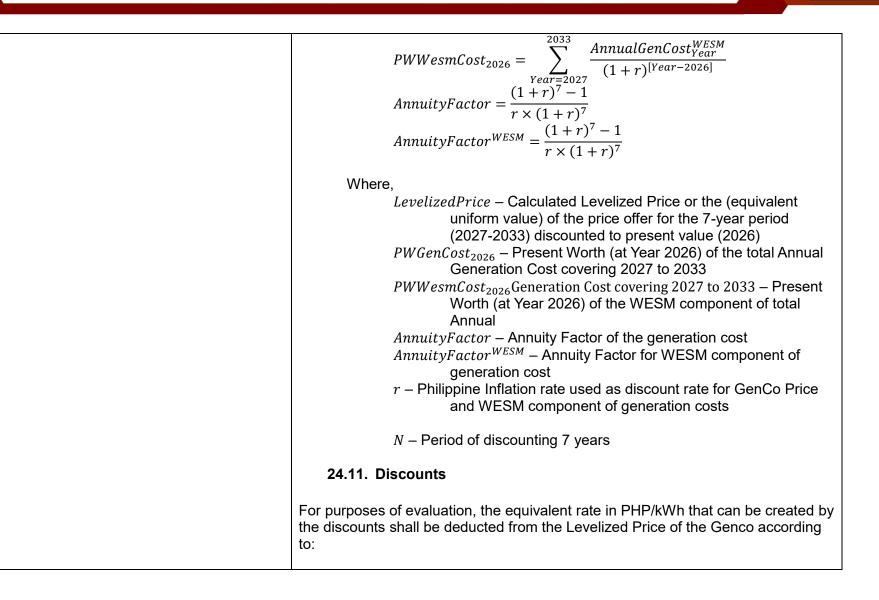


$WESMPriceAfterTax_{Year} - inflated WESM Price after tax in a given Year (2024 to 2033) and (2026-2033)$
VAT – applicable expanded value-added tax
24.8. Annual Generation Cost
For purposes of evaluating the Proposals, the total annual energy for each year to be used in calculating the Total Annual Generation Cost is shown in Table 9.
Lot 1 Lot 2 ³ 1,232,931,456 kWh ⁴ 213,050,208 kWh
24.9. The Annual Generation Cost shall be calculated according to the following equations:
$\begin{aligned} &AnnualGenCost_{Year}^{Total} = AnnualGenCost_{Year} + AnnualGenCost_{Year}^{WESM} \\ &AnnualGenCost_{Year} = GenCoPriceAfterTax_{Year} \times Energy_{Year}^{GenCo} \\ &AnnualGenCost_{Year}^{WESM} \\ &= WESMPriceAfterTax_{Year} \times Energy_{Year}^{WESM} \\ &Energy_{Year}^{GenCo} = Energy_{Year}^{Total} \times \left(1 - \frac{TotalAllowedOutageHours}{8760}\right) \\ &Energy_{Year}^{WESM} = Energy_{Year}^{Total} \times \left(\frac{TotalAllowedOutageHours}{8760}\right) \end{aligned}$
Where, <i>AnnualGenCost</i> ^{Total} – Total Annual Generation Cost for a given year <i>AnnualGenCost</i> _{Year} – Annual Generation Cost for a given year <i>AnnualGenCost</i> ^{WESM} _{Year} – WESM component of Annual Generation Cost for a given year













		$Discount = \sum_{Discounts} [Equiv Discount Rate]$ Where, Discounts - Price adjustment due to all discounts to be deducted from the Levelized Price
		<i>Equiv Discount Rate</i> – Equivalent rate in PHP/kWh of a discount
		24.12. Effective Long-Term Levelized Price
		The Effective Long-Term Levelized Price (ELTLP) which shall be used for Comparison of Proposals to select the Bidder with the Lowest Calculated Effective Long-Term Levelized Price shall be the Levelized Price after the adjustment by the equivalent price in PHP/kWh of any Discounts offered by the Bidder. Thus, the Effective Long-Term Levelized Price shall be computed as follows:
		ELTLP = (LevelizedGencoPrice - Discounts) + LevelizedWesmPrice
		Where, <i>ELTLP</i> – the Effective Long-Term Levelized Price of the Bidder
7	ITB – ANNEX A	Revised. Please refer to FITB Annex A – Checklist for Eligibility and Bid Requirements
8	ITB – ANNEX B	Revised. Please refer to FITB Annex B
9	ITB – ANNEX C	Revised. Please refer to FITB Annex C
10	ITB – ANNEX F	SWORN ATTESTATION OF NO CONFLICT OF INTEREST
		5. Further, to the best of my knowledge none of [Bidder's name]'s officer's is related to any director or officer of the member ECs by consanguinity or affinity up to the fourth civil degree or any of their officers or employees

LEVECO

		having direct access to information that may substantially affect the result of the Bidding, such as, but not limited to, the members of the R8 JCPSP Technical Working Group (TWG), the members of the JBAC, the General Managers and members of the Board of Directors of member ECs.
11	ITB – ANNEX H	CONFIDENTIALITY AGREEMENT
		 Added: c. Information that at the time of the disclosure was lawfully in the public domain. d. Information required to be disclosed pursuant to any applicable law, regulation, judicial or administrative order or decree, or request by regulatory agency or other relevant rules.
		 <u>[Bidder's name]</u> further warrants and undertakes that it will use the Confidential Information only to prepare and evaluate its Bid and to decide whether or not it will proceed with and participate in Transaction. <u>[Bidder's name]</u> acknowledges that the confidentiality obligations set forth in this document shall terminate three (3) years after date hereof or on the date on which disclosure is no longer restricted either under the applicable Philippine Law or under the terms and conditions specified in the Bidding Documents and the Power Supply Agreement, whichever comes earlier.
12	ITB – ANNEX I	ACCEPTANCE OF BIDDING DOCUMENTS



		 [Bidder's name] unconditionally and irrevocably waives any defect, deviation, fault or infirmity in this Transaction and the whole process conducted by R8 JCPSP JBAC.
13	ITB – ANNEX M	CERTIFICATION OF LIST OF AUTHORIZED REPRESENTATIVES
		(Provide a Special Power of Attorney or Secretary's Certificate and attach this certification)

Approved By : R8 JCPSP JBAC

nte JANET L. NOTARTE, REE

R8 JCPSP JBAC – Chairman June 8, 2024