



		The foreign exchange rate to be used for conversion into Philippine Peso (Php) shall be 56.2810 taken from exchange rate of March 27, 2024 as per data from Bangko Sentral ng Pilipinas.
4	ITB-17 BID SECURITY	<p>ITB 17.2</p> <p>b. Bank draft/ guarantee or Irrevocable Letter of Credit/Irrevocable Standby Letter of Credit issued by a Universal or Commercial Bank as listed in Annex K; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank;</p> <p>ITB 17.4</p> <p>The required Bid Security shall be valid for the duration of the bidding process but in no case beyond one hundred eighty (180) calendar days from the deadline for submission and opening of bids. The execution of the PSA shall be made within the Bid Validity Period and Bid Security Validity Period. For Lot 1 and Lot 2, the bid security validity expiration shall in no case be earlier than October 1, 2024 and not later than December 22, 2024.</p>
5	ITB-18 PERFORMANCE BOND	<p>ITB 18.2</p> <p>b. Bank draft/ guarantee or Irrevocable Letter of Credit/Irrevocable Standby Letter of Credit issued by a Universal or Commercial Bank as listed in Annex K; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank;</p> <p>ITB 18.6</p> <p>The Performance Bond shall be returned to the Winning Bidder after the commencement of delivery.</p>



<p>6</p>	<p>ITB-24 DETAILED EVALUATION AND COMPARISON OF BIDS</p>	<p>24.1. Bids for each lot will be separately and independently evaluated by calculating the Effective Price (Php/kWh) which shall include a.) Long-Term Levelized Price over the 10-year period (2024-2033) for Lot 1 and 7-year period (2027-2033) for Lot 2 considering the applicable inflation and other variables affecting prices such as taxes and plant outages, b.) Discounts.</p> <p>24.2. Base Price</p> <p>The Base Price shall have the following components:</p> <ul style="list-style-type: none"> a. Capital Recovery Fee (CRF) <p>Averaged from January 2024 to March 2024 of the following components:</p> <ul style="list-style-type: none"> b. Fixed Operation and Maintenance Fee (FOM) c. Variable Operation and Maintenance Fee (VOM) d. Fuel Cost (FC) <p>Foreign component of the prices in USD/kWh, shall be converted into local prices in PHP/kWh using the Bangko Sentral ng Pilipinas (BSP) foreign exchange rate (FOREX) of PHP56.2810 as of March 27, 2024.</p> <p>24.3. Base Price at 100% Capacity Utilization Factor</p> <p>The Base Price at 100% Capacity Utilization Factor (CUF) shall be calculated according to the following equations: Lot 1: $BasePrice_{100\%CUF} = CRF_{100\%CUF} + FOM_{100\%CUF}$</p>
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FOM_{CUF} – FOM for the given CUF
 DAF – Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity.
 Lot 1 DAF= 1.0100
 Lot 2 DAF= 1.0120
 $Weight_{CUF}$ – Weight assigned to the price at given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at Lot 1 86.88% and Lot 2 86.86% load factor of the baseload according to the following tables.

Table 4. Lot 1 Weight (Frequency) of Capacity Utilization Factor

CUF	WEIGHT	CUF	WEIGHT	CUF	WEIGHT
100%	15.3653%	88%	2.1347%	76%	1.6781%
99%	2.3059%	87%	2.4315%	75%	1.7123%
98%	2.0548%	86%	2.2945%	74%	1.5297%
97%	2.2717%	85%	2.2603%	73%	2.1575%
96%	2.5685%	84%	2.2831%	72%	2.2831%
95%	2.5000%	83%	2.1575%	71%	2.7169%
94%	2.6598%	82%	1.8836%	70%	2.8425%
93%	2.1575%	81%	1.7580%	69%	2.6256%
92%	2.1918%	80%	1.6781%	68%	2.9680%
91%	2.3059%	79%	1.6210%	67%	2.4315%
90%	2.2260%	78%	1.4726%	66%	2.3288%
89%	2.2831%	77%	1.4498%	65%	10.4110%



Table 5. Lot 2 Weight (Frequency) of Capacity Utilization Factor

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

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.



Table 6. Annual Inflation Factor for Consumer or Commodity Prices

Index	Inflation Rate
PH	3.3

Note: Based on PSA Retail Price Survey of Commodities for the Generation of Consumer Price Index

The fuel cost of the energy fee component shall be indexed according to Fuel Inflation Factors shown in Table 7 (i.e., the average fuel price from January 2024 to March 2024 will be multiplied by the inflation factor for the given year). No reference fuel prices shall be used for power supply from renewable energy sources. For the purpose of this Power Supply procurement, geothermal steam will not be considered an “indexable” fuel.

Table 7. Fuel Inflation Factors¹

Year	TYPE OF FUEL		
	COAL	OIL	NATGAS
2024	96.00%	100.62%	98.00%
2025	92.11%	101.23%	95.00%
2026	92.38%	101.25%	94.90%
2027	88.82%	101.90%	92.86%
2028	85.25%	102.54%	90.82%
2029	81.69%	103.18%	88.78%

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



2030	78.13%	103.82%	86.73%
2031	75.23%	104.46%	84.69%
2032	72.34%	105.11%	82.65%
2033	69.44%	105.75%	80.61%

Firm Offer:

Thus, for each year, the inflated prices of the bidder shall be computed as follows:

LOT 1:

$$\begin{aligned}
 GencoPrice_{Year} &= [WeightedCRF \\
 &+ (Weighted FOM) \times (k_{FOM}) \times (1 + a)^{Year-2023} \\
 &+ (1 - k_{FOM}) \times Weighted FOM] + (VOM \\
 &+ FC) \times (1 + a)^{Year-2023}
 \end{aligned}$$

LOT 2:

$$\begin{aligned}
 GencoPrice_{Year} &= [WeightedCRF \\
 &+ (Weighted FOM) \times (k_{FOM}) \times (1 + a)^{Year-2026} \\
 &+ (1 - k_{FOM}) \times Weighted FOM] + (VOM \\
 &+ FC) \times (1 + a)^{Year-2026}
 \end{aligned}$$



		<p>Indexed Offer:</p> <p>Thus, for each year, the inflated prices of the bidder shall be computed as follows:</p> <p>LOT 1:</p> $GencoPrice_{Year} = [WeightedCRF + (Weighted FOM) \times (k_{FOM}) \times (1 + a)^{Year-2023} + (1 - k_{FOM}) \times Weighted FOM] + (k_{VOM}) \times VOM \times (1 + a)^{Year-2023} + (1 - k_{VOM}) \times VOM + (k_{FC}) \times FC \times b_{FC,year} + (1 - k_{FC}) \times FC$ <p>LOT 2:</p> $GencoPrice_{Year} = [WeightedCRF + (Weighted FOM) \times (k_{FOM}) \times (1 + a)^{Year-2026} + (1 - k_{FOM}) \times Weighted FOM] + (k_{VOM}) \times VOM \times (1 + a)^{Year-2026} + (1 - k_{VOM}) \times VOM + (k_{FC}) \times FC \times b_{FC,year} + (1 - k_{FC}) \times FC$ <p>Where,</p> <p>$GencoPrice_{Year}$ – Inflated Genco Price for a given Year</p> <p>$WeightedCRF$ – summation of the CRF multiplied to the Weight assigned to the price at given CUF from 65% to 100% and multiplied to the DAF</p> <p>$Weighted FOM$ – summation of the FOM multiplied to the Weight assigned to the price at given CUF from 65% to 100% and multiplied to the DAF</p> <p>k_{VOM} – percentage of VOM to which inflation is to be applied</p> <p>k_{FOM} – percentage of FOM to which inflation is to be applied</p> <p>a – Philippine inflation rate to be applied to the FOM and VOM, including Fuel Cost (if Firm Offer).</p> <p>k_{FC} – the percentage of fuel to which inflation is to be applied</p> <p>$b_{FC,year}$ – yearly fuel inflation factor (using values in Table 7)</p>
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		<p>24.6. WESM Price</p> <p>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:</p> <p>LOT 1:</p> $WESMPrice_{Year} = WESMPrice_{2023} \times (1 + a)^{Year-2023}$ <p>LOT 2:</p> $WESMPrice_{2026} = WESMPrice_{2023} \times (1 + a)^3$ <p>Where,</p> <p>$WESMPrice_{Year}$ – Inflated WESM Price for a given Year (2024 to 2033),</p> <p>$WESMPrice_{2026}$ – Inflated WESM Price for a given Year (2026 to 2033).</p> <p>$WESMPrice_{2023}$ = PHP 8.1190/kWh (Average WESM Price during GENCO's outages).</p>
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24.7. Prices After Tax

The tax rates (based on the applicable expanded value-added tax) shown in **Table 8** shall be applied to Genco and WESM Price depending on the type of energy resource (i.e., whether renewable energy or non-renewable energy).

Table 8. Tax Rate

Energy Resource	VAT
Renewable Energy	0.00%
Non-Renewable	12.00%
WESM ²	8.40%

For each year, the calculations for the Genco and WESM Price after taxes are as follows:

$$GenCoPriceAfterTax_{year} = GencoPrice_{year} \times (1 + VAT)$$

$$WESMPriceAfterTax_{year} = WESMPrice_{year} \times (1 + VAT)$$

Where,

GenCoPriceAfterTax_{year} – Price after tax of inflated Genco price in a given Year (2024 to 2033) and (2026-2033)

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



$WESMP_{PriceAfterTax}_{Year}$ – 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.

Table 9: Total Annual Energy per Lot

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:

$$AnnualGenCost_{Year}^{Total} = AnnualGenCost_{Year} + AnnualGenCost_{Year}^{WESM}$$

$$AnnualGenCost_{Year} = GenCoPriceAfterTax_{Year} \times Energy_{Year}^{GenCo}$$

$$AnnualGenCost_{Year}^{WESM} = WESMP_{PriceAfterTax}_{Year} \times Energy_{Year}^{WESM}$$

$$Energy_{Year}^{GenCo} = Energy_{Year}^{Total} \times \left(1 - \frac{TotalAllowedOutageHours}{8760}\right)$$

$$Energy_{Year}^{WESM} = Energy_{Year}^{Total} \times \left(\frac{TotalAllowedOutageHours}{8760}\right)$$

Where,

$AnnualGenCost_{Year}^{Total}$ – Total Annual Generation Cost for a given year
 $AnnualGenCost_{Year}$ – Annual Generation Cost for a given year
 $AnnualGenCost_{Year}^{WESM}$ – WESM component of Annual Generation Cost for a given year



		<p> $Energy_{Year}^{Total}$ – Total Annual Energy to be used for calculating the annual generation costs $Energy_{Year}^{GenCo}$ – Annual Energy to be used for calculating the annual generation costs attributable to the GenCo $Energy_{Year}^{WESM}$ – Annual Energy to be used for calculating the annual generation costs taking into account the Allowed Outages proposed by the GenCo $TotalAllowedOutageHours$ – The Guaranteed maximum outage hours per year of the power plant as proposed by the GenCo. This is the sum of the Scheduled and Unscheduled Outage Hours </p> <p>24.10. Levelized Price</p> <p>The Levelized Price shall be calculated by determining the “Present Value” (Year 2023) of the annuity (i.e., equivalent annual uniform value) of the Annual Generation Cost divided by annual energy. The base year (t = 0) for the annuity of Annual Generation Cost is Year 2023. Thus, the Levelized Price shall be calculated as follows:</p> <p>Lot 1</p> $LevelizedPrice = LevelizedGencoPrice + LevelizedWesmPrice$ <p>Where,</p> $LevelizedGencoPrice = [PWGenCost_{2023}] \times \frac{1}{Energy_{Year2024-2033}^{Total}}$ $LevelizedWesmPrice = [PWWesmCost_{2023}] \times \frac{1}{Energy_{Year2024-2033}^{Total}}$ $PWGenCost_{2023}^{WESM} = \sum_{Year=2024}^{2033} \frac{AnnualGenCost_{Year}^{WESM}}{(1+r)^{[Year-2023]}}$
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		$PW_{WesmCost}_{2023} = \sum_{Year=2024}^{2033} \frac{AnnualGenCost_{Year}^{WESM}}{(1+r)^{[Year-2023]}}$ <p>Where,</p> <p><i>LevelizedPrice</i> – Calculated Levelized Price or the (equivalent uniform value) of the price offer for the 10-year period (2024-2033) discounted to present value (2023)</p> <p><i>PWGenCost₂₀₂₃</i> – Present Worth (at Year 2023) of the total Annual Generation Cost covering 2024 to 2033</p> <p><i>PWWesmCost₂₀₂₃</i> – Present Worth (at Year 2023) of the WESM component of total Annual Generation Cost covering 2024 to 2033</p> <p><i>Energy_{Year}^{Total}</i> – sum of Energy per year from 2024-2033</p> <p>Lot 2</p> $LevelizedPrice = LevelizedGencoPrice + LevelizedWesmPrice$ <p>Where,</p> $Levelized\ GencoPrice = \frac{PWGenCost_{2026}}{(AnnuityFactor) \times (1+r)^3} \times \frac{1}{Energy_{Year2026}^{Total}}$ $LevelizedWesmPrice = \frac{PW_{WesmCost}_{2026}}{(AnnuityFactor^{WESM}) \times (1+r)^3} \times \frac{1}{Energy_{Year2026}^{Total}}$ $PWGenCost_{2026} = \sum_{Year=2027}^{2033} \frac{AnnualGenCost_{Year}}{(1+r)^{[Year-2026]}}$
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		$PW_{WesmCost}_{2026} = \sum_{Year=2027}^{2033} \frac{AnnualGenCost_{Year}^{WESM}}{(1+r)^{Year-2026}}$ $AnnuityFactor = \frac{(1+r)^7 - 1}{r \times (1+r)^7}$ $AnnuityFactor^{WESM} = \frac{(1+r)^7 - 1}{r \times (1+r)^7}$ <p>Where,</p> <p><i>LevelizedPrice</i> – Calculated Levelized Price or the (equivalent uniform value) of the price offer for the 7-year period (2027-2033) discounted to present value (2026)</p> <p><i>PWGenCost₂₀₂₆</i> – Present Worth (at Year 2026) of the total Annual Generation Cost covering 2027 to 2033</p> <p><i>PW_{WesmCost}₂₀₂₆</i> Generation Cost covering 2027 to 2033 – Present Worth (at Year 2026) of the WESM component of total Annual</p> <p><i>AnnuityFactor</i> – Annuity Factor of the generation cost</p> <p><i>AnnuityFactor^{WESM}</i> – Annuity Factor for WESM component of generation cost</p> <p><i>r</i> – Philippine Inflation rate used as discount rate for GenCo Price and WESM component of generation costs</p> <p><i>N</i> – Period of discounting 7 years</p> <p>24.11. Discounts</p> <p>For purposes of evaluation, the equivalent rate in PHP/kWh that can be created by the discounts shall be deducted from the Levelized Price of the Genco according to:</p>
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		$Discount = \sum_{Discounts} [Equiv Discount Rate]$ <p>Where, <i>Discounts</i> – 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</p> <p>24.12. Effective Long-Term Levelized Price</p> <p>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:</p> $ELTLP = (LevelizedGencoPrice - Discounts) + LevelizedWesmPrice$ <p>Where, <i>ELTLP</i> – the Effective Long-Term Levelized Price of the Bidder</p>
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	<p>SWORN ATTESTATION OF NO CONFLICT OF INTEREST</p> <p>5. Further, to the best of my knowledge none of <u>[Bidder's name]</u>'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</p>



		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	<p>CONFIDENTIALITY AGREEMENT</p> <p>Added:</p> <ul style="list-style-type: none"> 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. <p>3. <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.</p> <p>4. <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.</p>
12	ITB – ANNEX I	ACCEPTANCE OF BIDDING DOCUMENTS



		4. [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 <i>(Provide a Special Power of Attorney or Secretary's Certificate and attach this certification)</i>

Approved By : **R8 JCPSP JBAC**

JANET L. NOTARTE, REE

R8 JCPSP JBAC – Chairman
 June 8, 2024