



**NEGROS ELECTRIC COOPERATIVES ASSOCIATION
(N E C A)**

Negros Island, Philippines
Tel Nos. (034) 488-7050
Email address: necajcsp@gmail.com,
necajcspsecretariat@gmail.com

INVITATION TO BID

- Pursuant to the Department of Energy (DOE) Circular No. DC2018-02-0003, Series of 2018, DC2021-09-0030, Series of 2021, and the new ERC 2023 Competitive Selection Process (CSP) based on the ERC Resolution No. 16, Series of 2023, the Negros Electric Cooperative Association (NECA) through the Joint Third-Party Bids and Awards Committee (JTPBAC), invites all interested and qualified bidders to participate in the Competitive Selection Process (CSP) for the Procurement of 53 MW Baseload AND 18 MW Peaking Power Supply.

2. TERMS OF REFERENCE

Target Date of Publication: April 30, 2024, and May 7, 2024

Purpose of CSP: As scheduled in the Power Supply Procurement Plan (PSPP)

Area to be Served: On-Grid

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
1.0	Type of Contract	<p>Firm</p> <p>Physical Power Supply Agreement (PSA)</p> <ul style="list-style-type: none"> Baseload Peaking 	<ul style="list-style-type: none"> Power Supplier/ Company shall submit its technical capability. Additional documents such as experiences and Certificate of Good Performance/ Track Record with other customers may also be submitted. In case of new power plants, they must be capable of supplying the entire requirement of NECA by 2024.

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
2.0	Contracted Capacity (MW)	53 MW (Baseload) 18 MW (Peaking)	<ul style="list-style-type: none"> • 53 MW Baseload capacity requirement effective May 26, 2024 <ul style="list-style-type: none"> • NORECO I – 5 MW • NORECO II – 18 MW • NOCECO – 10 MW • NONECO – 20 MW • 18 MW Peaking capacity requirement for May 26, 2024 <ul style="list-style-type: none"> • NORECO I – 3 MW • NORECO II – 10 MW • NONECO – 5 MW
3.0	Contracted Energy (kWh per year)	464,280,000 kWh (Baseload) 25,185,000 kWh (Peaking)	<p>Baseload</p> <ul style="list-style-type: none"> • NORECO I – 43,800,000 kWh • NORECO II – 157,680,000 kWh • NOCECO – 87,600,000 kWh • NONECO – 175,200,000 kWh <p>Peaking</p> <ul style="list-style-type: none"> • NORECO I – 3,285,000 kWh • NORECO II – 14,600,000 kWh • NONECO – 7,300,000 kWh

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
4.0	Contract Duration	<p>The PSA shall take effect for a period of 15 years, unless earlier termination in accordance with the provision of the PSA.</p> <p>Date of Expiration of Franchise:</p> <p>NONECO – February 9, 2033 NOCECO – June 11, 2050 NORECO I – June 30, 2029 NORECO II – February 9, 2033</p> <p>Contracts that will be affected due to non-renewal of a franchise shall be covered by the Section 34. Pre-termination of Contract of ERC Resolution No. 16, Series of 2023 – Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market</p>	<p>Contract Period</p> <ul style="list-style-type: none"> • NORECO I, May 26, 2024 – May 25, 2039, 15 Years • NORECO II, May 26, 2024 – May 25, 2039, 15 Years • NOCECO, May 26, 2024 – May 25, 2039, 15 Years • NONECO, May 26, 2024 – May 25, 2039, 15 Years <p>Throughout the duration of the contract, authorized representatives of the ECs and the winning bidder shall meet not later than the first billing period of the 5th and 10th year of the contract period to discuss any concern (i.e. repricing) arising from the implementation of the contract to ensure that arrangements between Parties proceed on a mutually satisfactory basis.</p> <p>Grounds for what will be considered the satisfactory basis will be discussed further in the draft Power Supply Agreement.</p>
5.0	Cooperation Period		<p>Cooperation period shall take effect for a period of fifteen (15) years starting from May 26, 2024 to May 25, 2039. If the provisional authority of the ERC is issued later than May 26, 2024, the Cooperation Period shall commence on the 26th day of the month immediately after the issuance of said provisional authority.</p>
6.0	Schedule of Delivery (kWh per Year)	Please see "Annex 1" for both Baseload and Peaking capacities	
7.0	Bid price		<p>In Philippine Peso per kilowatt-hour (PhP/kWh)</p> <p>Baseload:</p>

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS												
			<ol style="list-style-type: none"> 1. CRF and Fixed O&M – Php2.60/kWh 2. Variable O&M – based on actual expenses 3. Fuel cost – actual cost <p>Peaking:</p> <ol style="list-style-type: none"> 1. CRF and Fixed O&M – Php3.50/kWh 2. Variable O&M – based on actual expenses 3. Fuel cost – actual cost 												
8.0	Tariff Structure (as applicable)	<p>Energy-based PSA</p> <ul style="list-style-type: none"> • Capital Recovery Fee (PhP/kWh) • Fixed O&M (PhP/kWh) • Variable Charges (PhP/kWh) • Fuel Costs (PhP/kWh) • Others 	<table border="1" data-bbox="959 795 1390 1163"> <thead> <tr> <th>Tariff Components</th> <th>Unit</th> </tr> </thead> <tbody> <tr> <td>True Cost of Generation</td> <td>Php/kWh</td> </tr> <tr> <td>a. Capital Recovery</td> <td>Php/kWh</td> </tr> <tr> <td>b. Fixed Operation and Maintenance</td> <td>Php/kWh</td> </tr> <tr> <td>c. Variable Operation and Maintenance</td> <td>Php/kWh</td> </tr> <tr> <td>d. Fuel Fee</td> <td>Php/kWh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • No indexation or escalation on Capital Recovery Fee (CRF) and Fixed O&M. • The total bid amount for the CRF and the Fixed O&M shall not exceed Php 2.60/kWh for Baseload and Php 3.50/kWh for Peaking. • The variable O&M cost shall be based on actual expenses supported by the invoices. • Fuel cost shall be based on actual cost supported by the invoices. • Bidders must submit sample bills for the process of evaluation. 	Tariff Components	Unit	True Cost of Generation	Php/kWh	a. Capital Recovery	Php/kWh	b. Fixed Operation and Maintenance	Php/kWh	c. Variable Operation and Maintenance	Php/kWh	d. Fuel Fee	Php/kWh
Tariff Components	Unit														
True Cost of Generation	Php/kWh														
a. Capital Recovery	Php/kWh														
b. Fixed Operation and Maintenance	Php/kWh														
c. Variable Operation and Maintenance	Php/kWh														
d. Fuel Fee	Php/kWh														
9.0	Plant Location		The Bidder must have a power plant connected to the Philippine Grid												
10.0	Outage Allowance per Plant	<p>The Power Supplier will be allowed outages for a contract year not exceeding to:</p> <ul style="list-style-type: none"> • Scheduled Outages: 480 Hours • Unscheduled Outages: 240 Hours 	<ul style="list-style-type: none"> • Scheduled Outages: 480 hours/year • Scheduled outages shall be provided by the Supplier as determined by the grid System Operator. • Unscheduled Outages: 240 hours/year • No carry-over of Outage allowance (OA) to any subsequent contract year. • No crediting of OA from scheduled to unscheduled and vice versa. • The penalty clause will be determined based on the EC-approved timeline of the scheduled outage. 												

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
			<ul style="list-style-type: none"> • Power provider must provide a replacement power for the delay on the return to service per predetermined timeline by the EC during unscheduled outages. • All planned outages must be scheduled and declared twelve (12) months in advance.
11.0	Force Majeure	<p>“Force Majeure” refers to any of the following that is beyond the reasonable control of the Party/Parties claiming force majeure which, through the exercise of due foresight and good industry practice, the Party/Parties could not have avoided, did not contribute to or participate in, and which, even by exercise of due diligence, the Party/Parties is unable to overcome, thus preventing the party from carrying out its obligations or from enjoying its rights under this Agreement due to the impossibility of delivering the goods and services, or the imminent harm that such events, in the absence of safeguards and protocols, may bring upon its employees, agents or the general public in the performance of its obligations under this Agreement.</p>	<ul style="list-style-type: none"> • Acts of God <p>Acts of God, should only be considered as force majeure sufficient to terminate the contract if:</p> <ol style="list-style-type: none"> i. The event or calamity is of the degree or intensity that the continued operation of the parties would lead to death or injury of the parties’ employees or agents; ii. The event or calamity is of the degree or intensity that the continued operation of the parties would be of great hazard to the security and safety of the public. • Epidemic <p>An epidemic officially declared by the national or local government, should only be considered as force majeure and a ground for termination of contract, if the epidemic causes:</p> <ol style="list-style-type: none"> i. Impossibility to deliver the contracted goods or services; or ii. When there is no remedy or protocol placed/issued by the government or the regulatory agencies to assist the parties in fulfilling their obligations. • Other Events of Force Majeure (Force Majeure-Acts of Man) <p>Force Majeure events occurring in or directly affecting the Philippines include:</p> <ol style="list-style-type: none"> i. any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution,

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
			<p>riot, insurrection, civil commotion, act of terrorism, or sabotage;</p> <p>ii. nationwide strikes, works to rule or go-slows that extend beyond the Facility or are widespread or nationwide, or that are of a political nature;</p> <p>iii. radioactive contamination or ionizing radiation originating from a source outside or inside the Philippines</p>
12.0	Replacement Power		<p>The Supplier shall be responsible for providing replacement power in the following cases, except for Force Majeure Events:</p> <p>a) During any delay of the Start of Delivery of Supply; and</p> <p>b) When its power plant fully consumed the scheduled or unscheduled outage to ensure continuity of supply in compliance with the cooperation period.</p> <p>The rates to be charged for the procurement of Replacement Power shall be the actual price of the Replacement Power; or the approved charge for the PSA, whichever is lower.</p> <p>Replacement power shall be the obligation of the Supplier. In the event of failure by the Supplier to provide the replacement power, NECA members shall be allowed to source the replacement power at the Supplier's expense.</p> <p>For the plants that are not physically available on the date of delivery:</p> <p>Replacement power shall not exceed four (4) years, otherwise, the same shall be a ground for termination of the Contract.</p>
13.0	Currency	Payment is denominated in Php	Philippine Peso
14.0	Form of Payment		<p>Mode of Payment may be through:</p> <p>(a) Manager's Check; or</p> <p>(b) Electronic Bank Transfer.</p>

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
15.0	Penalties	<p>Party in default shall bear the Liquidated Damages.</p> <p>The following penalties, among others, shall be imposed for non-adherence to provisions of the PSA such as:</p> <ul style="list-style-type: none"> • Forfeiture of Performance Bond • Payment of Cost of foregone revenue and surcharges • Unilateral termination of Contract • Payment of Legal/ Litigation fees • Power Supplier shall be blocklisted 	<ul style="list-style-type: none"> • If the Power Supplier fails to deliver 53 MW Baseload or 18 MW Peaking upon effectivity of the Contract, the Power Supplier must secure a Replacement Power to ensure continuity of supply in compliance with the cooperation period. • Suppose during any contract year, the actual outage incurred by the Power Supplier exceeds the allowable outages: In that case, the Power Supplier shall procure power supply at the Power Supplier's own cost to satisfy the contracted capacity. If Power Supplier fails to deliver power, it shall indemnify NECA MEMBER COOPERATIVE. • Suppose the Power Supplier fails to perform its material obligation to supply contracted capacity to NECA MEMBER COOPERATIVE for one (1) year: In that case, NECA MEMBER COOPERATIVE shall have the right, by written notice, to terminate the Contract. By such, NECA MEMBER COOPERATIVE shall require settlement of liquidated damages. • If the Power Supplier and NECA MEMBER COOPERATIVE do not reach a satisfactory solution to resolve the issues arising from the Force Majeure/Fortuitous event after one hundred eighty (180) days, the Contract shall be terminated.
16.0	Source of Power	Open Technology	<p>The Bidder should be able to provide proof that the Power Plant/s will be able to generate the entire Contracted Capacity based on the NECA Load Profile, subject to technical evaluation.</p> <p>The source of power can be from a single plant or portfolio of plants owned and operated by the Bidder.</p> <p>The bidder must submit identification of power plants, from among its portfolio of plants, where the Bidder will source its supply to NECA MEMBER COOPERATIVE.</p>

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
17.0	Plant Capacity	Shall not be lower than the entire contract capacity	<p>The Bidder shall submit the details and specifications of its power plant/s.</p> <p>The NECA Member Cooperatives shall be prioritized on the electrical output of the winning bidder's generating plant and shall be contracted under a separate Power Supply Agreement (PSA) with each NECA Member Cooperatives.</p>
18.0	Technical Specifications		The Bidder shall submit the technical specifications of the power plant, subject to technical evaluation by the NECA Member Cooperative
19.0	Billing Metering Point		<ul style="list-style-type: none"> The Billing Metering Point is at the delivery point (plant gate) through NGCP Metering
20.0	Other Terms and Conditions		<ul style="list-style-type: none"> Bidders must secure the required permits for the development and construction of the power plant. Power Supplier must enter into a non-discriminatory power supply agreement with all NECA Member Cooperatives
21.0	Security Deposit	The Power Supplier shall not require NECA MEMBER COOPERATIVE of Security Deposits or Guarantees	No Security Deposit; otherwise, it will form part of the bid evaluation.
22.0	Method of Fuel Procurement	Source of Fuel	The Bidder shall indicate the source of fuel, method of procurement, and any applicable charges that affect the power rates.
23.0	Taxes	Applicable taxes	Bidder to indicate applicable taxes
24.0	Changes on Contracted Capacity	Capacity Reduction	<ul style="list-style-type: none"> 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), Net Metering programs, and other similar government programs, Buyer shall deliver to Seller written notice specifying the reduction in Contract Capacity and/or Contract Energy 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

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
			<p>an amount that will allow the Buyer to comply with its obligation to supply electricity in the least cost manner to its captive market. Except for such reduction of amount of Contract Capacity and/or Contract Energy 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.</p> <ul style="list-style-type: none"> • The Parties shall agree on and prepare the protocol to implement the reduction in the amount of Contract Capacity, with observance of existing rules and regulations, as a result of the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs. The Parties shall submit a copy of the protocol to the ERC. • NECA shall be entitled to a reduction in its Contracted Capacity as a result of the transfer of any of the NECA’s customer to another SELLER, in compliance to the Retail Competition and Open Access (RCOA) and any other issuances by the Philippine government in which NECA is obliged to comply. This shall be imposed upon written application by the NECA to the SELLER at least thirty (30) days prior to such reduction. Contracted capacity will be adjusted in proportion to all contracted volume and capacity from all SELLERS. Revision of monthly minimum energy off-take shall be undertaken by both parties. NECA shall be entitled to a reduction in the Contracted Capacity to the extent described below: <ul style="list-style-type: none"> a. The NECA’s customer procures electricity from SELLER, in which case NECA shall be entitled to a reduction in the Contract Capacity equivalent to the average hourly coincidental peak demand of such the NECA’s customer for the last twelve (12) calendar months prior to such disconnection; and

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
			<p>b. The NECA’s customer procures electricity from any supplier who does not supply electricity to NECA, in which case NECA shall be entitled to a reduction in the Contract Capacity equivalent to the average hourly coincidental peak demand of such NECA’s customer for the last twelve (12) calendar months prior to such disconnection multiplied by the proportion of the Contracted Capacity to the total capacity contracted by the NECA with all of its Suppliers of electric power (including the SELLER).</p>
25.0	Application Process with ERC	Joint Application for Approval	<ul style="list-style-type: none"> • There shall be joint filing for the approval of the terms and conditions under the power supply agreement and the power supplier shall shoulder all costs of the said application. • Each NECA Member Cooperative must have an individual Power Supply Agreement.

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
26.0	Grounds for Termination of Contract	Contracts that will be affected due to non-renewal of a franchise shall be covered by the Section 34. Pre-termination of Contract of ERC Resolution No. 16, Series of 2023 – Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market	<p>No party to the PSA shall be allowed to terminate the contract within the validity period thereof, unless expressly allowed under the ERC Resolution No. 16, Series of 2023. Termination shall only be allowed (a) based on grounds stipulated in the PSA which should be consistent with ERC Resolution No. 16, Series of 2023, (b) upon full compliance with the procedural requirements set forth in the PSA, (c) with prior approval from the ERC. A motion for termination of a PSA must be justified only on any of the following grounds:</p> <ul style="list-style-type: none"> (a) Bankruptcy or insolvency of the Genco; (b) Expiration, reduction, or revocation of the franchise of the concerned DU; (c) Breach of contract; (d) Default of either party without fault or negligence on the other party; (e) Force majeure rendering the supply of electricity impossible to accomplish; (f) Any other circumstance analogous to the foregoing grounds; or (g) Non-occurrence of Commercial Operation Date after the four (4) years replacement power, in case of new plants;
27.0	Prompt Payment Discount		<p>Bidders may provide discounts. However, this shall not be considered in the initial evaluation of the bid.</p> <p>In-case of tied bids, "Prompt Payment Discount" will be considered in the determination of the winning bidder.</p>

ITEM	TERMS OF REFERENCE	DESCRIPTION	REQUIREMENTS
28.0	Assignability		The Parties may not sell, assign, novate or otherwise transfer its right and obligation under the Agreement without prior approval of the other Party.

3. INDICATED SCHEDULE OF ACTIVITIES

Activities	Target Dates
Publication of Invitation to Bid	April 30, 2024, and May 7, 2024
Issuance of Bid Documents	May 10, 2024
Pre-Bidding Conference 1	May 24, 2024
Pre-Bidding Conference 2 (If applicable)	May 31, 2024
Issuance of Bid Bulletin and Final Instruction to Bidders	June 13, 2024
Due Diligence of the Bidders	May 10, 2024 – June 27, 2024
Submission and Opening of Bids	June 28, 2024
Post Qualification and Evaluation of Bids	July 1, 2024 – July 8, 2024
Issuance of Notice of Award	July 27, 2024
Final Evaluation/Assessment of PSA	August 6, 2024
The signing of PSA	August 16, 2024
Posting of Performance Security	On or before August 26, 2024
Issuance of Notice to Proceed	August 31, 2024
Joint Application of PSA for ERC approval	September 30, 2024

4. Upon due notice to the participants, the NECA JBAC may amend the above schedules.
5. Bid Documents fee of Php1,000,000.00 for Baseload (Lot 1) and Php200,000 for Peaking (Lot 2), non-refundable, and exclusive of taxes. Bidders shall send the bank transaction slip through email to the JBAC Secretariat for issuance of official receipts.
6. Complete set of Bid Document may be acquired upon payment of a non-refundable Bid Documents fee and securing official receipt through the BAC Secretariat. Payment may be deposited to:

Bank/Branch : BDO Victorias
 Account Name : NONECO
 Account No. : 003790042816
7. Venues for the pre-bidding and bid opening shall be announced through the bid bulletins. Only bidders who purchased bid documents shall be allowed to attend the pre-bidding and the bid opening.
8. NECA JBAC reserves the right to amend the schedule of activities, reject any or all bids, declare failure of bidding in accordance with CSP Rules and other pertinent issuance that may be applicable and assumes no obligation to compensate or indemnify any bidder for expenses or losses that may be incurred in the preparation of bid, nor does it guarantee that an award will be made.
9. A protest on the JBAC Decision(s) shall be accompanied by the payment of a non-refundable protest fee of One Million Pesos (Php 1,000,000.00).

For further inquiries, please refer to:

NECA JBAC Secretariat
Northern Negros Electric Cooperative, Inc.
NONECO
Brgy. Tortosa, Manapla, Negros Occidental

Contact Person: Wama Mea D. Lipa
Contact Number: (034) 488-7050 Local 1005 or 09209594563
Email Addresses: necajcsp@gmail.com
necajcspsecretariat@gmail.com

(SGD) ENGR. ROEL F. SALGADO
NECA JTPBAC Chairman