



INVITATION TO BID

FOR BUSUANGA ISLAND ELECTRIC COOPERATIVE INC. (BISELCO) 24 MW GUARANTEED DEPENDABLE CAPACITY FOR CORON & BUSUANGA ISLAND GRID

1. The **BUSUANGA ISLAND ELECTRIC COOPERATIVE ("BISELCO")** is an electric cooperative duly organized by virtue of Presidential Decree No. 269, as amended, and duly registered with the National Electrification Administration (NEA) under Registration Number 112- with principal office address at Mabentangen Road, Barangay Poblacion 6, Coron, Palawan, Philippines (the "BISELCO Main Office").
2. The duly constituted Bids and Awards Committee ("BAC") for this CSP invites all interested bidders to participate in the competitive bidding for BISELCO's power supply requirements as indicated in the Terms of Reference, to wit:

TERMS OF REFERENCE

TERMS OF REFERENCE	REQUIREMENT												
Area/s to be Serviced	Municipalities of Busuanga and Coron												
Demand Requirement	<table border="1"> <thead> <tr> <th>Total GDC per Phase</th> <th>Coron Site</th> <th>Busuanga Site</th> <th>Implementation</th> </tr> </thead> <tbody> <tr> <td>10 MW Phase 1</td> <td>9 MW</td> <td>1MW</td> <td>January 1, 2025 to December 31, 2039</td> </tr> <tr> <td>14 MW Phase 2</td> <td>13 MW</td> <td>1 MW</td> <td>August 20, 2029 to December 31, 2039</td> </tr> </tbody> </table> <p>Baseload</p>	Total GDC per Phase	Coron Site	Busuanga Site	Implementation	10 MW Phase 1	9 MW	1MW	January 1, 2025 to December 31, 2039	14 MW Phase 2	13 MW	1 MW	August 20, 2029 to December 31, 2039
Total GDC per Phase	Coron Site	Busuanga Site	Implementation										
10 MW Phase 1	9 MW	1MW	January 1, 2025 to December 31, 2039										
14 MW Phase 2	13 MW	1 MW	August 20, 2029 to December 31, 2039										
Type of Contract	<ul style="list-style-type: none"> • Firm and Dispatchable Supply up to the Guaranteed Dependable Capacity • Physical Power Supply Agreement (PSA) consistent with BISELCO's latest and duly posted Power Supply Procurement Plan. 												
Price Structure	<ul style="list-style-type: none"> • Capacity-based PSA • The SUPPLIER shall provide its proposed Capital Recovery Fee ("CRF") and Fixed Operations and Maintenance Fee ("FOMF") based on the Contracted Capacity designated for the Coron and Busuanga Plants per phase. • The Variable Operations and Maintenance Fee ("VOM") and Fuel Fee ("FF") shall strictly be computed based on the actual energy delivered for any given Billing Period. 												
Contract Term	Fifteen (15) years from commencement of supply												
Target Delivery Date	The SUPPLIER shall commence delivery on 01 January 2025, or the next immediate 26 th day of the month following the Energy Regulatory Commission's ("ERC") issuance of a Provisional Authority or Interim Relief, as applicable, and the fulfillment of other conditions precedent stated on the PSA.												



BUSUANGA ISLAND ELECTRIC COOPERATIVE, INC.

Coron, Palawan

Coverage Area: CORON • BUSUANGA • LINAPACAN • CULION

<p>Contracted Capacity</p>	<p>The Winning Bidder shall make available the Guaranteed Dependable Capacity (GDC) as shown below:</p> <table border="1" data-bbox="542 286 1276 840"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">CAPACITY</th> <th rowspan="2">TOTAL Capacity, GDC (MW)</th> </tr> <tr> <th>PHASE 1</th> <th>PHASE 2</th> </tr> </thead> <tbody> <tr><td>2025</td><td>10</td><td></td><td>10.0</td></tr> <tr><td>2026</td><td>10</td><td></td><td>10.0</td></tr> <tr><td>2027</td><td>10</td><td></td><td>10.0</td></tr> <tr><td>2028</td><td>10</td><td></td><td>10.0</td></tr> <tr><td>2029</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2030</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2031</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2032</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2033</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2034</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2035</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2036</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2037</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2038</td><td>10</td><td>14</td><td>24.0</td></tr> <tr><td>2039</td><td>10</td><td>14</td><td>24.0</td></tr> </tbody> </table> <p>There foregoing shall be treated as one (1) lot and the prospective Bidders must submit an offer for the entire GDC requirement of BISELCO.</p>	Year	CAPACITY		TOTAL Capacity, GDC (MW)	PHASE 1	PHASE 2	2025	10		10.0	2026	10		10.0	2027	10		10.0	2028	10		10.0	2029	10	14	24.0	2030	10	14	24.0	2031	10	14	24.0	2032	10	14	24.0	2033	10	14	24.0	2034	10	14	24.0	2035	10	14	24.0	2036	10	14	24.0	2037	10	14	24.0	2038	10	14	24.0	2039	10	14	24.0
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<p>Preferred Plant Location</p>	<p>Shall be located within 10 Kilometer Radius from the existing Coron and Busuanga switchyard.</p>																																																																		
<p>Source of Power</p>	<p>This CSP shall be open for all technology that can supply the Firm Capacity subject to the environmental limitations, regulations, and promulgations of the local government units of Palawan</p>																																																																		
<p>Connection Point</p>	<p>The Connection Point shall be at the Coron switchyard for the Coron Power Plant and the Busuanga switchyard for the Busuanga Power Plant. The Winning Bidder shall construct the Connection Assets to connect its power plant to the Connection Points.</p>																																																																		
<p>Metering Point</p>	<p>The metering points shall be located at BISELCO's existing switchyards located at Sitio Tulawa, Brgy. Guadalupe, Coron, Palawan and Sitio Lubao, Brgy. Salvacion, Busuanga, Palawan.</p> <p>The Winning Bidder shall provide separate revenue meters for each plant site and each phase.</p>																																																																		
<p>Tariff Structure</p>	<p>The tariff structure shall be unbundled into components as follows:</p> $\text{Total Generation Charge for Coron} = \text{CRF}_{\text{CORt}} + \text{FOMF}_{\text{CORt}} + \text{VOMF}_t + \text{FF}_t$ <p>Capital Recovery Fee ("CRF"): The CRF shall be calculated as the product of the Capital Recovery Rate (CRR) and the GDC for the Billing Month. There shall be separate computation for Busuanga and Coron Site:</p> <ul style="list-style-type: none"> • Without exception, no form of indexation allowed for the CRF. • Subject to a one-time adjustment based on the relevant indices at time of Delivery Date as provided in the Power Supply Agreement. <p>Fixed O&M Fee (FOMF): The FOM shall be calculated as the product of the Fixed O&M Rate ("FOMR"), in PhP/kW-month, and the GDC for the Billing Period. The FOMR may be escalated to the PH CPI and/or to a Foreign CPI</p> <p>Variable O&M Fee (VOMF): The VOMF shall be calculated as the product of the Variable O&M Rate (VOMR), in PhP/kWh, and the actual energy delivered for the Billing Period. The VOMR may be escalated to the PH CPI and/or to a Foreign CPI and Foreign Currency Exchange Rate.</p>																																																																		



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	<p>Fuel Fee (FF): The FF shall be calculated as the summation of the product of: (i) the Fuel Price per fuel type (FP); (ii) the Fuel Consumption Rate (“FCR”) per fuel type; and (iii) the Actual Energy Delivered for the Billing Period per fuel type.</p> <ul style="list-style-type: none"> • The Fuel Fee shall be a pass-through component of the price. • The BAC shall prescribe a fixed price per fuel type, based on appropriate references, which shall be used in the evaluation of bids. • The BAC shall prescribe a range of acceptable FCR for each fuel type based on ERC-approved cases. The Bidder must offer an FCR within the acceptable range provided by the BAC, which shall be binding on the Bidder during the implementation of the PSA. The range of acceptable FCR shall be provided in the Instruction to Bidders. <p>For the purpose of evaluation, the Bidder shall indicate in its Technical Bid the power plant/s (and its corresponding fuel type) that would supply BISELCO’s energy requirements for the entire 15-year period, which shall be consistent with the Bidder’s Financial Bid.</p> <p>Note for Bidder:</p> <ul style="list-style-type: none"> • Except for Value-Added Taxes (“VAT”) which shall be a pass-through component of the price, all other taxes and government dues including ER 1-94 (Benefits to Host Community), shall be to the account of the Supplier/s. • VAT is applicable for non-renewable fuel technology. <p>The applicable tariff for Coron and Busuanga Plants shall be separate based on the bidder’s proposed generation cost. The Winning Bidder and BISELCO shall submit for approval to the ERC the separate tariffs for the Coron and Busuanga Plants.</p>
<p>Evaluation Framework</p>	<p>The Financial Proposal of the Bidders shall be evaluated by calculating the equivalent price in 2024 of the blended Levelized Cost of Electricity (LCOE) over the 15-year period for 10MW, and 11 years and 4 months for 14 MW, from the base Bid Price and other bid parameters submitted in accordance with the Evaluation Methodology detailed in the Instruction to Bidders</p> <p>The LCOE shall be the basis for comparison of bid offers to determine the lowest calculated bids.</p>
<p>Outage Allowances per plant</p>	<p>No outage allowance for Generating Units since Contracted Capacity is GDC</p> <p>There shall be Scheduled and Unscheduled Outage Allowance of 48hours/yr, allocated for PMS of connection facilities.</p> <p>Any outage categorized under “Outside Management Control” as defined by ERC under Resolution No. 9 Series of 2022 (A Resolution Adopting the Rules and Procedures to Govern the Monitoring of Reliability Performance of Small Grid Generating Units), shall not be considered as outages caused by the Supplier.</p>
<p>Force Majeure</p>	<p>The provisions on Force Majeure of ERC Resolution No. 16 Series of 2023 and NEA Memorandum 2023-057 shall govern.</p>
<p>Replacement Power</p>	<p>The SUPPLIER shall provide replacement power under the following conditions:</p> <ol style="list-style-type: none"> 1. It exceeds the outage allowance on connection facilities. 2. It will not be able to supply the GDC due to the Supplier’s fault or negligence; <p>The rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower</p> <p>Supplier shall be responsible to provide Replacement Power or pay penalties for failure to deliver the contracted capacities by the Delivery Date.</p>
<p>Form of Payment</p>	<p>Mode of payment: Check or bank transfer to a nominated bank.</p>



	<p>Currency of Payment: Philippine Peso Billing Period: Monthly as provided in the PSA.</p>
<p>Liquidated Damages</p>	<p>The Bidder shall be penalized at a rate equivalent to BISELCO's Distribution Supply and Metering ("DSM") charge on top of the replacement power cost in case of:</p> <ol style="list-style-type: none"> 1. Delay in Delivery Date; 2. Delay to provide Replacement Power; <p>Other penalty provisions shall also apply under the resulting PSA provided that the penalty on any given billing period should not exceed the performance bond of the SUPPLIER.</p> <p>Penalties shall not be passed on to BISELCO or its consumers.</p>
<p>Reduction of Contract Capacity and/or Contract Energy</p>	<p>At the option of BISLECO, 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 an amount that will allow Buyer to comply with its obligation to supply electricity in the least cost manner to its captive market.</p>
<p>Prompt Payment Discount</p>	<p>The Seller shall extend a three percent (3%) discount based on the prevailing SAGR to BISELCO as prompt payment if:</p> <ol style="list-style-type: none"> 1. payment is made within 10 Calendar Days from receipt of Seller's billing, and 2. buyer is up to date with all its payment obligations under this Agreement. <p>For the avoidance of doubt, the prompt payment discount shall not be included in the Financial Proposal evaluation.</p>
<p>Eligibility Requirements</p>	<p style="text-align: center;"><u>Legal</u></p> <p>The following entities shall be eligible to participate in this bidding:</p> <ul style="list-style-type: none"> • Duly licensed individuals or sole proprietorships; • Partnerships duly organized under the laws of the Philippines; • Corporations duly organized under the laws of the Philippines; and • Joint Ventures and Consortiums duly organized under the laws of the Philippines. <p>Bidders must also secure a Certificate of Good Standing from all of their current off-takers whether such off-taker be a private distribution utility or an electric cooperative.</p> <p style="text-align: center;"><u>Financial</u></p> <p>The bidder's Net Financial Contracting Capacity ("NFCC") based on its Latest Audited Financial Statement (Stamped-received by BIR or SEC) should at least be twenty-five percent (25%) higher than the Bidder's Project/Facility Cost.</p> <p>Bidders may use the indicative project/facility cost based on the assumption of Seventy-Five Million Pesos (P75,000,000.00) per MW.</p> <p>NFCC = [(Current assets minus current liabilities x 15)] minus the value of all unsecured outstanding or uncompleted portions of the projects under on-going contracts, including awarded contracts yet to be started coinciding with the contract to be bid.</p> <p>The required NFCC would be calculated as follows: $NFCC = 125\% \times PhP75M \times 24MW$</p>



	<p>Bidders may submit a sworn statement executed by the President and Comptroller of its Subsidiary, Affiliate, or Parent Company categorically stating under oath that the NFCC of the Subsidiary, Affiliate, or Parent Company complies with the foregoing requirements. Further the Subsidiary, Affiliate, or Parent company must execute a Financial Support Guarantee as provided in the bidding documents.</p> <p>A Bidder who cites a Subsidiary, Affiliate, or Parent Company to comply with the financial capability requirement must present proof to establish that the cited entity is indeed its Subsidiary, Affiliate, or Parent Company.</p> <p style="text-align: center;"><u>Technical</u></p> <p>The Bidders, including its Affiliates, shall have the following aggregate generation portfolio at the time of submission of least Installed capacity of at least 24MW in Philippine off-grid areas.</p> <p>The Bidders shall have a track record of at least five (5) years of experience in operating power plants in Philippine off-grid areas.</p> <p>In lieu of the foregoing technical requirements, the Bidder may submit the following: (a) Key Personnel Experience – curriculum vitae of key personnel of the prospective Bidder showing they have sufficient experience in the electric power industry, particularly in the generation sector; and (ii) Other relevant information showing proof of the technical capabilities of the Bidder that would be helpful to the BAC.</p>
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3. A complete set of Bidding Documents may be acquired by interested bidders on August 7-20, 2024 upon:
- a. Submission of a *Verified Expression of Interest, Confidentiality Undertaking and Consent Form for Data Privacy*, downloadable from link to be provided by BAC Secretariat;
 - b. Payment of a non-refundable participation fee in cash, cashier's/manager's check payable to Busuanga Island Electric Cooperative, Inc, or be deposited through:
 Bank: Metrobank (Coron, Palawan Branch)
 Account Number: 459-7-459-00155-3
 Account Name : BISELCO
 Participation fee is: PhP 600,000.00

Two original copies of the *Verified Expression of Interest, Confidentiality Undertaking and Consent Form for Data Privacy*, and the proof of payment shall be submitted to the BISELCO BAC Secretariat at the BISELCO Main Office located at the Mabintangen Road, Brgy. 6, Coron, Palawan. Scanned copy of these documents shall also be sent to: biselco.csp@gmail.com.

Upon verification of the submitted documents, the BISELCO BAC Secretariat will provide the link to a Google Drive where the interested bidders can download the complete set of Bidding Documents.

5. The indicative schedule of activities for this CSP shall be:

Activity	Schedule
Publication of Invitation to Bid in a newspaper of general circulation	First Publication: 31 July 2024 Second Publication: 7 August 2024
Issuance of Bidding Documents to interested bidders	7-20 August 2024
Pre-bid Conference	21 August 2024
Issuance of Final Instruction to Bidders	30 August 2024
Bid Submission Deadline, Opening, and Evaluation of Bids	23 September 2024; 9:00 AM
Post Qualification and Detailed Evaluation of Bids to Determine the Lowest Calculated and Responsive Bid	24-27 September 2024
Issuance of Notice of Award to Winning Bidder	8 October 2024
Signing of Power Supply Agreements	18 October 2024



The BAC reserves the right to amend the schedule of activities, upon due notice to the bidders.

6. Unless otherwise amended, the BAC shall hold a Pre-bid Conference on August 21, 2024 starting at 9:00AM at the BISELCO Main Office.

Only CSP Observers and bidders who purchase the Bidding Documents shall be allowed to attend the Pre-Bid Conference.

7. Unless otherwise amended, the Bidder's bidding documents and proposals must be physically and actually received by the BAC Secretariat at the BISELCO Main Office not later than September 23, 2024.
8. For queries or concerns, please contact the BISELCO BAC Secretariat Ms. Minerva S. Maarat at Mobile No. 09688789002, with office address at BISELCO Main Headquarters, Mabintangen Road, Brgy. Pob. 6, Coron, Palawan or through electronic mail at biselco.csp@gmail.com


ENGR. SELWIN Y. ALILI

Chairperson

Special Bids and Awards Committee

For the conduct of the CSP for the Busuanga and Coron Island Grid


Noted By:

RUTH L. FORTES

General Manager

Busuanga Island Electric Cooperative