



BUSUANGA ISLAND ELECTRIC COOPERATIVE, INC.

Coron, Palawan

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Bgy. Poblacion 6, Coron, Palawan
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SUPPLEMENTAL BID BULLETIN NO. 08

05 November 2024

FOR BUSUANGA ISLAND ELECTRIC COOPERATIVE, INC. 24MW GUARANTEED DEPENDABLE CAPACITY FOR BUSUANGA AND CORON ISLAND GRID

Pursuant to I-03, paragraph 1 of the Bidding Procedures for the Competitive Selection Process conducted by the Busuanga Island Electric Cooperative Inc. for the 24MW Guaranteed Dependable Capacity for Busuanga and Coron Island grid (the “Transaction”) as well as the prevailing regulations of the Energy Regulatory Commission and NEA, the BISELCO Bids and Awards Committee (BISELCO-BAC) hereby issues Supplemental Bid Bulletin No. 8.

The BISELCO-BAC’s official response to the latest questions and issues raised by the prospective Bidders is attached as **Annex “A”** to this Supplemental Bid Bulletin.

In response to the comments raised by the prospective Bidders as well as the independent evaluation of the BISECO-BAC, the *Final Terms of Reference (Annex “B”)* and *Final Transaction Documents* are hereby issued. The BISELCO-BAC shall distribute the *Final Transaction Documents* to the prospective Bidders via their registered email addresses.

Prospective Bidders are reminded to refer to the *Final Transaction Documents* and no longer rely on the previous versions. Relief will not be granted to any prospective Bidder for any plea of negligence, error, or mistake resulting from reliance on the previous version of the Transaction Documents.

Bidder’s bidding documents and proposals must be physically and actually received by the BISELCO-BAC Secretariat on 21 November 2024 at BISELCO Main Office on or before 10:00 AM.

Kindly acknowledge receipt of this Bid Bulletin and accomplish the form provided below and send to the BISELCO-BAC through biselco.csp@gmail.com. For inquiries, please contact BISELCO-BAC Secretariat **Minerva S. Maarat** at 0968-878-9002.

For the guidance and information of all concerned.

Approved by: BISELCO-BAC

ENGR. SELWIN Y. ALILI

Chairperson

This is to confirm the receipt of Supplemental Bid Bulletin No. 08 and to manifest acceptance of the terms and conditions outlined therein.

Received by : _____
Name of Company : _____
Date : _____



ANNEX A

RESPONSE TO THE WRITTEN COMMENTS AND QUERIES OF CALAMIAN ISLANDS POWER CORPORATION (CIPC)

<u>Section and Page</u>	<u>Comment / Suggested Revision</u>	<u>Explanation for the Comment / Suggested Revision</u>	<u>BAC's Response</u>
Bidding Procedures, 1-02 SUBJECT OF BID PROPOSAL, Item 3, p.3, in relation to II-10 TECHNICAL PROPOSAL Item 1, p.15, and Technical Bid Evaluation Form, Item 1, p.1	The reckoning dates of the obligation to make the GDC available conflict with the Bid Submission timeline. In Table 1.1 of 1-02 Item 3, 10MW of GDC should be made available by 2024. In the Technical Proposal, the start of the supply of the GDC is January 1, 2025. Taking into account the new bidding timeline and that the PSA signing is scheduled on January 8, 2025 as per Supplemental Bid Bulletin No. 6, we suggest for BISELCO-BAC to reconsider the reckoning dates for the commencement of the supply of GDC. The Bidders cannot be expected to deliver the GDC without a signed PSA.	The obligation to deliver the GDC should not precede a signed PSA.	The SUPPLIER shall commence delivery on the later of 01 January 2025, or the next immediate 26th day of the month following the Energy Regulatory Commission's ("ERC") issuance of a Provisional Authority ("PA") or Interim Relief ("IR"), as applicable, and the fulfillment of other conditions precedent stated on the PSA. Thus, the Winning Supplier is expected to deliver the capacities on the LATER of 01 January 2025, or the next immediate 26th day of the month following the ERC's PA or IR.
Bidding Procedures, 1-02 Item 5, p. 4	Item 5 provides: <i>"The Bidder shall submit an offer for the entire Contract Capacity"</i> May we confirm if " Contract Capacity" is the same as the "Guaranteed Dependable Capacity "?	This is to ensure that the Bidders will be able to comply with the bidding requirements.	The term "Guaranteed Dependable Capacity" or "GDC" shall be used to refer to the <i>Contract Capacity</i> for this Transaction. Please note that while the Bidder may offer a Guaranteed Dependable Capacity that exceeds the Contract Capacity, BISELCO shall only nominate and dispatch the Winning Supplier up to the Guaranteed Dependable Capacity of 10 MW for Phase 1 and 24 MW for Phase 2.
Bidding Procedures, II-01	We would like to clarify the deadline for submission of written comments from prospective Bidders.	Based on item 5 of Section II-01, the deadline for submission of	Bidders shall have until October 25, 2024 to submit their written comments on the



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		written comments shall be November 18, 2024. However, under the schedule of bidding activities, November 18, 2024 is the bid submission date. Item 6 also states that bidders are given until October 9, 2024 to submit written comments on the Revised Transaction Documents.	Revised Transaction Documents based on Bid Bulletin No. 6.
Bidding Procedures, II-06	We would like to request that the BAC issue their responses to bidders' written comments in the form of a bid bulletin.	This is in compliance with Section II-06 stating that "Any comment, query or request of a bidder that has been accepted or acted upon by the BAC shall be contained in the Bid Bulletins. The BAC shall not be responsible for any instructions communicated to a bidder, except when such statement is specifically issued as a Bid Bulletin."	The BAC, through a bid bulletin, shall release its official response to the questions and issues raised by the prospective Bidders.
Bidding Procedures, II-09 ELIGIBILITY REQUIREMENTS, Legal Eligibility Documents no. 8b, p.11	We would like to confirm if the proof of VAT payments covering the last two (2) quarters prior to the Bid Submission Deadline pertain to quarters 1 and 2 of the year 2024?	The deadline for the Quarter 3 VAT payment is on October 25. Considering BIR's process in releasing CTC documents, there may be delays in obtaining the proof of quarter 3 VAT payment before the November 18, 2024 bid submission deadline.	Bidders shall submit proof of VAT payments covering the first (1st) and second (2nd) quarters of 2024.
Bidding Procedures, II-10 TECHNICAL PROPOSAL, Technical Soundness no. 5, p.16, par 2.	May we confirm with the BAC if the requirements on the ramp up rate and capacity factor were inadvertently deleted, such that the provision should have been: "For this requirement, the Bidder shall submit the manual from its existing or prospective Original Equipment Manufacturer (OEM) or a sworn certification from its existing or prospective Engineering-Procurement-Construction ("EPC") contractor showing the following: • the power plant/s offered for both the Coron Plant Site or the Busuanga Plant Site shall be capable of running at least at 70%	This is to clarify the requirements that must be shown in the sworn certification.	Please see the Final Transaction Documents



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	Capacity Factor; and • the power plant/s offered for either the Coron Plant Site or the Busuanga Plant Site Ramp Up Rate of 343 kW/minute."		
Bidding Procedures, II-10 TECHNICAL PROPOSAL Item 3, p.15	The longitude values in the coordinates were not swapped together with the latitude values. May we request the BAC to check the given coordinates.		The BAC has revised the coordinates accordingly.
Bidding Procedures, II-10 TECHNICAL PROPOSAL Item 7, p.16, and Technical Bid Evaluation Form, Item 7, p.2	In the connection requirement for the Busuanga facility, the connection is shown as bus-in. However, actual site condition shows that CIPC BPS is connected via T-connection to Feeder 4 distribution line. Also, there is only one (1) disconnect on the distribution line instead of two (2) as shown in the SLD. Will these items, shown in the SLD but not yet on site, be added by BISELCO through its DDP?	This affects the connection scheme that will be implemented by the bidder. If BISELCO has plans to upgrade the lines with the additional devices, the bidder must accommodate those in its technical proposal.	Currently, the Winning Bidder must connect to BISELCO's distribution system in Busuanga via a tap-in connection scheme. However, BISELCO intends to install a bus along its distribution line in Busuanga, depending on the point where the Winning Bidder would connect to BISELCO's distribution system in Busuanga. Should BISELCO create the said bus, the Winning Bidder must remove its tap-in connection and be ready to accommodate and connect to the bus prepared by BISELCO. BISELCO intends to install another disconnecting device as shown in the proposed Single Line Diagram.
Bidding Procedures, Technical Soundness, page 16	We noted in the bidding procedures that the following requirements were added in the October 21, 2024 version of the bidding procedures. Upon checking these were not included in the first version of the bidding procedures dated August 29, 2024. "4. For both Power Plant sites, the following qualifications shall be submitted: • Proof of Land Rights should be submitted showing the proof of Bidder's right to utilize the land upon which the power plant/s and connection assets shall be situated and installed which is valid upon bid submission date. The tenorial instrument must be any of the following: a. Notarized Deed of Sale; b. Notarized Lease Contract; or c. Notarized and Irrevocable Contract to Sell, immediately	This is to ensure that bidders are able to comply with the requirements of the bid upon bid submission.	The requirement shall be revised as follows: 1. For both Power Plant sites, the following qualifications shall be submitted: • Proof of Land Rights should be submitted showing the proof of Bidder's right to utilize the land upon which the power plant/s and connection assets shall be situated and installed which is valid upon bid submission date.



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	<p>implementable upon issuance of Notice of Award.</p> <ul style="list-style-type: none">● The Bidder shall also submit the following:<ol style="list-style-type: none">a. The pertinent TCT or OCT, certified by the pertinent Register of Deeds;b. Proof that the land covering the Power Plant sites are declared "Alienable & Disposable," certified by CENRO and PENRO;c. Proof that the land covering the Power Plant sites are declared as "Multiple Use Zone," certified by PCSD and ECAN; andd. A sketch plan signed by a duly-licensed geodetic engineer showing that the Power Plant sites are within the land covered by the Deed of Sale, Lease Contract, or Contract to Sell, as the case may be." <p>Considering the significant deviation of the new requirements (second bullet point) from the original Bidding Procedures, we would like to ask for the rationale of requiring the Bidders to submit additional documentation which demand considerable time to secure CTCs from government agencies. Upon inquiry from the pertinent government agencies enumerated by the BISELCO-BAC, it would take at least a month (at best) for the agencies to issue the said documents. Mindful of the bid submission date on November 18, it is unlikely that any of the Bidders would be able to secure the additional documents required. In this regard, we request for the BISELCO-BAC to reconsider the submission of new requirements as part of the bid and instead to include the documents in the PSA as part of the Conditions Precedent to Effective Date.</p>		<p>The tenurial instrument must be any of the following:</p> <ol style="list-style-type: none">a. Notarized Deed of Sale;b. Notarized Lease Contract; orc. Notarized and Irrevocable Contract to Sell, immediately implementable upon issuance of Notice of Award. <ul style="list-style-type: none">● The Winning Bidder submit the following during the post-qualification process:<ol style="list-style-type: none">a. The pertinent Transfer Certificate of Title or Original Certificate of Title, certified by Registry of Deeds or by the named owner under the pertinent TCT or OCT as the case may be.b. A sketch plan signed by a duly-licensed geodetic engineer showing that the Power Plant sites are within the land covered by the Deed of Sale, Lease Contract, or Contract to Sell, as the case may be.
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			<p>The draft PSA shall be revised to read as follows:</p> <p>b. Government Authorizations. All governmental authorizations (except ERC) which are required to have been obtained in connection with the execution, delivery, and commencement of performance of this Agreement, shall have been obtained and be in full force and effect.</p> <p>Notwithstanding the foregoing, SUPPLIER shall obtain the certification from the Community Environment and Natural Resources Office and Provincial Environment and Natural Resources Office declaring that the land covering the Power Plant are "Alienable & Disposable" as well as the certification from the Palawan Council for Sustainable Development and the Environmentally Critical Areas Network declaring the same land as a "Multiple Use Zone."</p>
<p>Bidding Procedures, II-13 Bid Security, Page 22, II-19 Performance Bond, Page 33, and Financial Bid Form, Bid Security Sheet</p>	<p>We would like to confirm as to the basis of the 76% CUF for purposes of computing the bid security and performance bond.</p>	<p>Based on our computation, average CUF for 15 years is only at 45%. This was computed using the total forecasted energy divided by the maximum energy (24,000 kW x 8760 hours x 15 years).</p>	<p>For purposes of calculating the Bid Security amount, the following formula shall be adopted:</p> $\{(Bidder's\ LCOE) \times (24,000\ kW) \times (56\%) \times [(2190)\ hours]\}$ <p>For purposes of calculating the Performance Bond amount, the following formula shall be adopted:</p> $\{(Bidder's\ LCOE) \times (24,000\ kW) \times (56\%) \times [(2190)\ hours]\}$ <p>Based on BISELCO's PSPP, 56% represents the average utilization of the</p>



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			10MW GDC from 2025-2029 and 24MW GDC from 2030-2039.
Bidding Procedures, II-19 POST QUALIFICATION OF PROPOSALS, Item 6, p.32	<p>We would like to request for the BISELCO-BAC to provide the basis for Item 6, which we note is inconsistent with NEA Memorandum No. 2023-57. In the Bidding Procedures, the BAC will directly submit the recommendation to the Office of the Administrator of NEA. However, in NEA Memorandum No. 2023-57, the BAC is supposed to submit its recommendation to the EC-BOD, which will then approve/disapprove the recommendation. If the EC-BOD decides in favor of the BAC, it shall submit to the NEA its resolution adopting the BAC's recommendation.</p> <p><u>Item 6 of the Bidding Procedures states:</u></p> <p><i>"6. The BAC shall submit the evaluation report and/or recommendations to the Office of the Administrator for the declaration of and issuance of the Notice of Award to the Winning Bidder."</i></p> <p><u>Article 8.2.11 of the NEA Memorandum No. 2023-57 states:</u></p> <p><i>"8.2.11. Award of Contract</i> <i>a. Upon the determination of the bidder with the LCRB, the BAC shall recommend to the EC-BOD the award of contract to the bidder with the LCRB.</i> <i>xxx</i> <i>d. Upon approval of the BAC's recommendation, the EC-BOD shall have 3 calendar days to submit to the NEA the Board Resolution (i) adopting the BAC's recommendation and (ii) requesting the NEA's issuance of the Notice to Issue Award. xxx"</i></p>	To ensure that the CSP process is compliant with the NEA Memorandum No. 2023-57.	Noted. Please see the Final Transaction Documents.
Bidding Procedures, II-21 POST QUALIFICATION OF PROPOSALS, Item 3, p.32	<p>We would like to request for the BISELCO-BAC to provide the basis for Item 3, which we note runs contrary to the authorities and processes provided in NEA Memorandum No. 2023-57. In the Bidding Procedures, the BISELCO-BAC assumed the final authority to approve changes in the PSA. However, in the NEA Memorandum No. 2023-57, such authority was explicitly vested in the EC-BOD, with the final clearance coming from the NEA.</p> <p>For the BISELCO-BAC's easy reference, the provisions are cited</p>	To ensure that the CSP process is compliant with the NEA Memorandum No. 2023-57.	Noted. Please see the Final Transaction Documents.



	<p>below.</p> <p>Item 3 of the Bidding Procedures states:</p> <p><i>The BISELCO-BAC shall have the final say and make changes or revisions on the PSA. The PSA shall be finalized in accordance with the BISELCO-BAC's revisions and in consideration that it will result to more favorable terms for BISELCO's member-consumer-owners. Thereafter, the same shall be endorsed to BISELCO for signing after the issuance of Notice to Execute the Agreement.</i></p> <p>Article 8 Execution of PSA of the NEA Memorandum No. 2023-57 states:</p> <p><i>8.3.1 Upon the issuance of the Notice of Award, the EC and the Winning Bidder shall have ten (10) calendar days to finalize the draft PSA. The Winning Bidder and the EC to may agree on changes to the draft PSA, which changes must clearly result to terms more favorable to the EC's draft MCOs."</i></p> <p><i>8.3.2 Within the same ten (10) day period, the EC-BOD must issue a Board Resolution endorsing the finalized draft of the PSA to the NEA for its final clearance. The Board Resolution should also identify the revisions made to the draft PSA, if there is any, and justifications thereof. If no revisions were made to the draft PSA, the Board Resolution should state this fact.</i></p> <p><i>8.3.3 Within seven (7) calendar days from receipt of the finalized PSA from the ECBOD, the NEA will review whether the finalized PSA conforms with the TOR of the EC. If the NEA finds the finalized PSA to be in order, it shall issue a Notice to Execute the Agreement.</i></p> <p><i>8.3.4 Within three (3) calendar days from receipt of NEA' Notice to Execute the Agreement, the Winning Bidder and the EC shall execute and sign the PSA, as approved by the NEA.</i></p>		
<p>Bidding Procedures, II-20 PROTEST MECHANISM, Item 2, p.33</p>	<ol style="list-style-type: none"> 1. Suggestion to correct the number sequence from "II-20" to "II-23" 2. We would like to request for the BISELCO-BAC to provide the basis for Item 2, which we note is inconsistent with reconsideration 	<p>To ensure that the CSP process is compliant with the NEA Memorandum No. 2023-57.</p>	<p>Noted. Please see the Final Transaction Documents.</p>



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	<p>process provided in NEA Memorandum No. 2023-57.</p> <p>For the BISELCO-BAC's easy reference, the provisions are cited below.</p> <p>Item 2 of the Bidding Procedures states:</p> <p><i>In the event that the request for reconsideration is denied, decisions of the BAC may be protested in writing to the NEA Administrator. The protest must be filed within ten (10) calendar days from receipt of the resolution denying its request for reconsideration. A protest shall be made by filing a verified position paper accompanied by the payment of a non-refundable protest fee amounting to Five Hundred Thousand Pesos (Php 500,000.00) per protest. Such fees shall not be recovered from consumers.</i></p> <p>Article 9 Protest Mechanism of the NEA Memorandum No. 2023-57 states:</p> <p><i>9.2 In the event that the request for reconsideration is denied, decisions of the BAC may be protested, in writing, to the EC-BOD.</i></p> <p><i>9.3 A protest shall be made by filing a position paper with the EC-BOD, accompanied by the payment of a non-refundable protest fee as may be determined by the concerned BAC and prescribed in the Instruction to Bidders. In no case shall the protest fee be higher than the Bid Security. Such fees shall not be recovered from consumers.</i></p>		
<p>Bidding Procedures, II-20 PROTEST MECHANISM, Item 4, p.34</p>	<p>Item 4 provides:</p> <p><i>" xxx Protests shall be resolved within ten (10) calendar days from receipt thereof. The Decision of the BAC shall be final and immediately executory."</i></p> <p>We suggest for the BISELCO-BAC to revisit this provision because it runs contrary to the Article 9.7 of the NEA Memorandum No. 2023-57 which states that "The decision of the EC-BOD shall be final"</p>	<p>To ensure that the CSP process is compliant with the NEA Memorandum No. 2023-57.</p>	<p>Noted</p>
<p>Revised PSA</p>	<p>We would like to clarify whether "Guaranteed Dependable Capacity" will be used instead of "Contract Capacity" in all documentary submissions to the BAC.</p>	<p>To ensure consistency in the terminology used throughout the</p>	<p>The term "Guaranteed Dependable Capacity" or "GDC" shall be used to refer</p>



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		<p>PSA and all other transaction documents.</p>	<p>to the <i>Contract Capacity</i> for this Transaction.</p> <p>Please note that while the Bidder may offer a Guaranteed Dependable Capacity that exceeds the Contract Capacity, BISELCO shall only nominate and dispatch the Winning Supplier up to the Guaranteed Dependable Capacity of 10 MW for Phase 1 and 24 MW for Phase 2.</p>
<p>Revised PSA, NEW PROVISION</p>	<p>Propose to add a provision that allows the Parties to constitute a steering committee or administrative council composed of representatives from both Parties, that would serve a governance body to provide support, guidance and oversight on significant issues and matters concerning the PSA. In case of any dispute, the committee shall also be convened to hasten the dispute resolution.</p> <p>Proposed provision:</p> <p>"SECTION 15. STEERING COMMITTEE</p> <p>15. 1 Within 15 days from the Effective Date, the SUPPLIER and the OFFTAKER's General Manager shall each appoint two (2) representatives from their respective officers or senior employees, with the proper authorizations, as members of the Steering Committee. The OFFTAKER's General Manager shall be entitled to appoint an additional member (i.e., a 5th member) who shall be the Chairman. The Chairman shall preside at the meeting and shall vote only in case of a tie.</p> <p>15.2 Throughout the term of this Agreement, the Steering Committee shall meet regularly at least every quarter, or as the need arises, to discuss the progress of the installation of the Power Plant and the implementation of the Agreement to ensure that the arrangements between the Parties proceed on a mutually satisfactory basis. Provided, that this shall be without prejudice to the need to refer any matter for decision to the respective Boards of Directors of the Parties."</p>	<p>In the recently issued Minutes of the Second Pre-Bid Conference, the BAC responded that this proposed provision will be part of the PSA negotiation. However, we respectfully request this provision be added in the revised PSA to ensure that the PSA is implemented smoothly and any issues can be resolved on a timely manner.</p>	<p>The BAC maintains that this provision shall not be included in the draft PSA.</p> <p>However, the Winning Bidder and BISELCO may negotiate the terms for establishing said steering committee, if both parties are amenable to it.</p>



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<p>Revised PSA, Section 2 Sale and Purchase of Capacity 2.2, p.3, and Bidding Procedures, I-02 SUBJECT OF THE BID PROPOSAL Item 3, p.3</p>	<p>We request that the outage allowance be expanded to include common facilities.</p>	<p>This is to ensure that facilities are properly maintained and the reliability of the plant is ensured. Moreover, it is to be noted that in ERC's decision for ERC Case No. 2022-022 which is a bunker-fired power plant with GDC, ERC allowed 5 days of planned outage and 14 days of unplanned outage for shared plant components.</p>	<p>The Scheduled and Unscheduled Outage Allowance of 48hours/yr, allocated for PMS of connection facilities and common facilities shall be retained.</p>
<p>Revised PSA, Section 8 - Supply of Energy, 8.6, page 9</p>	<p>Propose to add the following: (b) Any outage categorized as "Outside Management Control" as defined by the ERC Resolution No. 9, Series of 2022 or the prevailing ERC Resolution at the time of the occurrence of the Unscheduled Outage, shall not be charged against the SUPPLIER's Outage Allowance.</p>	<p>This is to clarify that Unscheduled Outages covered by the Outside Management Control definition of the ERC Resolution are not caused by the SUPPLIER. Thus, not chargeable to the SUPPLIER.</p>	<p>Noted.</p>
<p>Revised PSA, Section 11 - Force Majeure, 11.1.a and b, page 13</p>	<p>Revise the term "parties" to "affected party". Proposed revisions: "(a) The event or calamity is of the degree or intensity that the continued operation of the affected party would lead to death or injury of the parties' employees or agents; or (b) The event or calamity is of the degree or intensity that the continued operation of the affected party would be of great hazard to the security and safety of the public.</p>	<p>In the recently issued Minutes of the Second Pre-Bid Conference, the BAC accepted the proposed revisions. However, these revisions were not reflected in the revised PSA.</p>	<p>Noted.</p>
<p>Revised PSA, Section 11 - Force Majeure, 11.1.c, page 13</p>	<p>Propose to add the following Force Majeure events: "d. Delay in receipt of payment of the Subsidy Fee from NPC-SPUG for more than ninety (90) Days from its receipt of the relevant invoice for the Subsidy Fee, subject to SECTION 11.5 hereof; e. Any action or failure to act by any Government Authority, including without limitation, expropriation or compulsory acquisition of all or any material part of the Power Plant affecting the operations, including any sub-transmission or substation facilities to which the Power Plant is connected; the denial of or delay in the</p>	<p>These events, while not attributable to any fault of the Winning Bidder, affect the continued operations of the power facilities and should be considered as Events of Force Majeure.</p>	<p>Current language of Section 11.1 of the draft PSA shall be retained.</p>



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	<p>granting of any Government Consent which the Parties have agreed to waive for an agreed time period past the Effective Date; and the failure of any such Government Consent once granted to remain in full force and effect or to be renewed on substantially similar terms; provided that in any of these cases, the affected Party complied with the timely and full submission of requirements. For the avoidance of doubt, a downward adjustment of any tariff component of Seller's SUPPLIER's generation charge as set forth in this Agreement shall not be considered as a Force Majeure event.</p> <p>f. Failure or inability of the (1) Transmission System and the Embedded Line, or (2) Distribution System to transmit or receive the Contracted Capacity without fault or negligence of the relevant Party; or</p> <p>g. Any other event of similar nature which prevents the SUPPLIER from delivering the Contracted Capacity to the OFFTAKER, or prevents the OFFTAKER from receiving the Contracted Capacity from the SUPPLIER."</p>		
<p>Revised PSA, Section 11 - Force Majeure, 11.7, page 14</p>	<p>Propose to add: "...affected by and..."</p> <p>Proposed revision: "...and shall give the either Party affected by and experiencing the Force Majeure..."</p>	<p>This is a correction of a grammatical/typographical error.</p>	<p>Current language retained</p>
<p>Revised PSA, Section 12 - Default and Termination, 12.1.b, page 14</p>	<p>Proposed revision:</p> <p>"b. A Party breaches any of its material representations, warranties, covenants or obligations under this Agreement except due to reasons beyond the exclusive control of such Party or any event of Force Majeure; and"</p>	<p>This is a correction of a grammatical/typographical error.</p>	<p>Noted.</p>
<p>Revised PSA, Section 12 - Default and Termination, 12.5, page 14</p>	<p>Propose to include the following events in addition to the existing events of default that may result to Termination:</p> <ol style="list-style-type: none"> 1. Privatization of the OFFTAKER 2. Non-renewal of the OFFTAKER's franchise 	<p>The Winning Bidder, will invest a substantial amount to put up the power plant/facilities needed by the OFFTAKER for the PSA. In the event that the OFFTAKER is privatized or its franchise is not renewed, there is no guaranty that the obligations in the PSA will be</p>	<p>Not accepted. A similar provision already written in the draft PSA.</p>



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		continued by the new entity (acquiring OFFTAKER or its franchise area) thus, the risk on part of the Winning Bidder not being able to recover its investment over the life of the project. These proposed provisions will allow the Winning Bidder to recover its investments through termination fees in the event of these occurrences.	
Revised PSA, Section 12 - Default and Termination, 12.5.d, page 16	Propose to add: "Except for items 12.5 (b) and (c) which shall have no Cure Period," Proposed revision: "Except for items 12.5 (b) and (c) which shall have no Cure Period, the Non-Defaulting Party shall have the right to terminate this Agreement in the event the Defaulting Party fails to cure or remedy the Event of Default within the Cure Period or within such extended period as may be agreed between the Parties, subject to the approval of the ERC, and may pursue any remedy available to it under this Agreement or at law."	The exceptions refer to events of force majeure that require no cure period prior to termination.	Accepted
Revised PSA, Section 13 - Liquidated Damages, 13.4, par. 3.b, par. 1, page 18	Propose to add: "Thereafter, the SUPPLIER may terminate this Agreement pursuant to Section 12.1 (b) in relation to Section 9.2 (h) and Section 13.4 (c), and recover Termination Fee." Proposed revision: "...During this period, both the SUPPLIER and BISELCO must make all reasonable efforts to prevent any power supply disruption to the Busuanga and Coron Island Grid. Thereafter, the SUPPLIER may terminate this Agreement pursuant to Section 12.1 (b) in relation to [Section 9.2 (h) - new proposed provision] and Section 13.4 (c), and recover Termination Fee."	To specify the provisions as basis of Termination.	Noted.
Revised PSA, Section 13 - Liquidated Damages, 13.4.d, page 19	Revise "party" to "Party under Section 12.1".	This is a correction of a grammatical/typographical error.	Noted.
Revised PSA, Section 14 - Dispute Resolution, page 19	Propose to add a provision on Termination Fees as follows: "Termination Fee. If an Event of Termination is due to an the OFFTAKER Event of Default, SUPPLIER Event of Default, or	The provisions on Termination Fee are proposed to protect the interest of both the Winning Bidder and BISELCO in case of a	Accepted with revisions.



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	<p>Termination other than Default, the Non-Defaulting Party shall be entitled to claim the Termination Fee in accordance with this Section:</p> <p>(i) Payable by the OFFTAKER. Upon the OFFTAKER's default, the SUPPLIER shall be entitled to claim a Termination Fee in accordance with this Section:</p> <p>(a) After Effective Date and prior to Delivery Date, such Termination Fee shall be equivalent to the aggregate of all project and project-related costs of the Power Plant. The value of the project and project related costs shall be certified by any independent auditor jointly appointed by the Parties, or, if the Parties fail to agree, appointed by the Steering Committee; and</p> <p>(b) During the Term, such Termination Fee shall be computed in accordance with the formula below:</p> $\left[CRR_{COR} \times \{22,000 \times 76\% \times (730 - \overline{H}_o)\} \times RT \times \left\{ \frac{1}{1 + \left(\frac{BVAL}{12}\right) RT} \right\} \right] +$ $\left[CRR_{BUS} \times \{2,000 \times 76\% \times (730 - \overline{H}_o)\} \times RT \times \left\{ \frac{1}{1 + \left(\frac{BVAL}{12}\right) RT} \right\} \right]$ <p>Where:</p> <p>CRR_{COR} = Capital Recovery Rate for Coron</p> <p>CRR_{BUS} = Capital Recovery Rate for Busuanga</p> <p>RT = Remaining contract term in months</p> <p>H_o = Average monthly equivalent outage hours in excess of outage allowance for the past 12 months prior to notice of termination</p> <p>BVAL = Prevailing PDS BVAL rate that corresponds to the remaining term of the contract</p> <p>Payment for Termination Fee shall be made within thirty (30) days from written notice by SUPPLIER of the calculation of the Termination Fee.</p> <p>In the event of Termination Fee payable pursuant to either Section</p>	<p>premature termination of the PSA, to address the financial implications (given the substantial investment involved) and the impact to consumers (given the possible shortfall in supply) of a premature ending of the PSA term.</p>	
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	<p>(a) or (b), the OFFTAKER shall prioritize the payment thereof to the SUPPLIER, ahead of other creditors or suppliers and warrants not to enter into any agreements contrary to or otherwise ensure that all other agreements it enters into shall be in accordance with this priority of payment clause in favor of the OFFTAKER.</p> <p>(ii) Payable by the SUPPLIER. Upon the SUPPLIER's default, the OFFTAKER shall be entitled to claim a Termination Fee equivalent to the Performance Bond posted by the SUPPLIER.</p>		
Financial Bid Form, Evaluation Sheet - Coron and Busuanga Phase 2 Plant B (Column L and P)	<p>We noted that even if the bidder does not input capacities in the standard response form for rows 52 and 56, capacities still appear in the evaluation sheet column L and P.</p> <p>We would like to request a correction of this.</p>	This is to ensure clarity on the capacities offered by the bidders.	Noted. Plant B is removed because interim plant is not allowed in Phase 2
Financial Bid Form, Standard Response Form - End of Supply	For Phase 2 which will start on August 20, 2029, we would like to clarify if bidders should input the end date to coincide with the end of the total contract term.	This is to ensure that offers made by the bidder will comply with the terms of reference. It was noted that if bidder will use the edate formula and input 124 months, the end of supply will be December 20, 2039, instead of the end of the total contract term on December 31, 2039.	For evaluation purposes, BAC considers "31/08/2029"
Financial Bid Form, Evaluation Sheet - Conventional Energy and Renewable Energy Column AE, AG, AI and AK	We would like to clarify why there is no formula for these columns for rows 15 to 70.	This is to ensure full understanding of the bidder in preparing the financial bid form along with compliance therewith.	Phase 2 is still not implemented on those rows
Financial Bid Form, Evaluation Sheet - VOM Fee - Column BX and BZ	We take note that the BAC has accepted our suggestion on the formula for the CRF, FOM and Fuel. We would like to note, however, that for the computation of the VOM fee once Phase 2 starts (Rows 71 to 194), the energy for Phase 1 and Phase 2 should be added.	The VOM fee is currently understated since Rows 71 to 194 was not able to capture the energy of Phase 1.	Noted.
Financial Bid Form, Billing Determinants, and	We would like to note that the bidding procedures states that the month used for the base of CPIs and Forex is July 2024, however,	This is to ensure consistency between all transaction	To be reviewed



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<p>Bidding Procedures, Section II-11, Financial Proposal</p>	<p>the financial bid form uses May 2024. We would like to clarify what is the final base date to be used. Moreover, we would like to suggest to use the latest indices and Forex considering that the bid submission is on November 2024.</p>	<p>documents. This is also to ensure that the bid reflects the latest market conditions by using indices and Forex rates close to the bid submission date.</p>	
<p>Financial Bid Form, Billing Determinants</p>	<p>We would like to confirm if rows 14-16 are being used in the financial bid form. If these are not being used, we would like to suggest to delete these rows.</p>	<p>This is to avoid any confusion on the computation of the financial bid.</p>	<p>Noted.</p>
<p>Technical Simulation Form, Std Technical Form Sheet</p>	<p>The N-1 unit will not be operating simultaneously with the other units on the fleet. Therefore, it must not be included in the calculation of the station use. We are presenting a sample calculation below for the BAC's consideration:</p> <p>Capacity Credit (CC): 100%</p> <p>Installed Capacity (IC): 15.0 MW</p> <p>Firm Capacity (FC): 15.0 MW [IC * CC]</p> <p>N-1 Firm Capacity (N1FC): 5.0 MW</p> <p>Station Use (SU): 0.30 MW [(FC-N1FC) * 3.0%]</p> <p>Line Loss (LL): 0.05 MW [3 * I² * R]</p> <p>Net Dependable Capacity (NDC): 9.65 MW [FC - N1FC - SU - LL]</p> <p>If NDC >= GDC, "PASSED", otherwise, "FAILED"</p>	<p>The N-1 unit will not be operating simultaneously with the other units on the fleet. Therefore, it must not be included in the calculation of the station use.</p>	<p>Accepted with revision.</p>
<p>Technical Simulation Form, Std Technical Form Sheet</p>	<p>Suggestion to revise the usage of Net Dependable Capacity (NDC) against Guaranteed Dependable Capacity (GDC) to avoid confusion with other transaction documents. We are presenting a sample calculation below for the BAC's consideration:</p> <p>Capacity Credit (CC): 100%</p> <p>Installed Capacity (IC): 15.0 MW</p> <p>Firm Capacity (FC): 15.0 MW [IC * CC]</p>	<p>The usage of GDC in the simulation forms (technical and financial) is not consistent with that of the TOR, bidding procedures and PSA. Net Dependable Capacity (NDC) must be reckoned at the delivery/metering point. Therefore, it must be calculated as firm capacity less station use and line</p>	<p>Not accepted.</p>



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<p>Financial Bid Form, Standard Response Form, H49:I56</p>	<p>The GDC/NDC was not calculated per plant.</p> <p>May we suggest to provide a separate row for each plant (Plant A & Plant B) and that be applied for the duration for which the specific plant is expected to cover.</p>	<p>The NDC for each plant (Plant A & Plant B) will be different as these are different installations and configurations.</p>	<p>Phase 1 should meet the GDC for Phase 1. During Phase 2, GDC shall be per Plant Site.</p>
<p>Technical Simulation Form, Std Technical Form Sheet, Cell J39</p>	<p>Inconsistent formula with neighboring cells. The figure is a plugged number.</p> <p>May we suggest to update the formula to be consistent with other columns.</p>	<p>This is to ensure consistency in the computation of the NDC between the different plants.</p>	<p>The form shall be revised accordingly.</p>
<p>Technical Simulation Form, Std Technical Form Sheet Cells, H40:W40</p>	<p>The GDC/NDC was not calculated per plant.</p> <p>May we suggest to the BAC to calculate the GDC/NDC separately (Plant A & Plant B) by subtracting the line loss from the calculated total net dependable capacity for the specific plant.</p>	<p>Regardless if the plant is interim or long-term, the GDC requirement should still be complied. Consequently, compliance check for GDC should be done per plant. The latest simulation form incorrectly calculates the GDC/NDC by subtracting the line losses from both the interim and long-term plants. This should not be the case as these plants will not overlap in their implementation.</p>	<p>Phase 1 should meet the GDC for Phase 1. During Phase 2, GDC shall be per Plant Site.</p>
<p>Technical Simulation Form, Std Technical Form Sheet, Cells H48:W50</p>	<p>The compliance check was not done per plant. Compliance check for TOR and ITB requirements should be done per plant.</p> <p>May we suggest to the BAC to calculate the conductor loading and</p>	<p>Regardless if the plant is interim or long-term, the TOR and ITB requirements should still be complied. Consequently,</p>	<p>Phase 1 should meet the GDC for Phase 1. During Phase 2, GDC shall be per Plant Site.</p>



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	plant distance from reference coordinates separately (Plant A & Plant B). Compliance check for TOR and ITB requirements should be done per plant.	compliance check should be done per plant.	
Technical Simulation Form, Std Technical Form Sheet, Cells H48:W50	<p>The simulation form include plant columns with no data in its compliance check.</p> <p>May we suggest to the BAC to update the logic in the PASSED/FAILED criteria by disregarding plant columns not needed to capture the technical proposal of the bidder.</p>	<p>The simulation form should disregard plant columns with no data in its compliance check. Phase 2 will most likely not need an interim plant as its delivery date is not until 2029. Hence, in the simulation form Plant B will also most likely not be needed for Phase 2. However, the simulation form will return BLANK and FAILED results if Plant A is filled up while Plant B has no values.</p>	Noted.
Responses to Written Comments, Page 37	We would like to follow up on the copy of BISELCO's latest interim financial statements.	The BAC has already granted our request for a copy, but the bidders have yet to receive it.	Noted.

TERMS OF REFERENCE

TERMS OF REFERENCE	REQUIREMENT																																																																		
Area/s to be Service	Municipalities of Busuanga and Coron																																																																		
Demand Requirement	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Total GDC per Phase</th> <th style="text-align: center;">Coron Site</th> <th style="text-align: center;">Busuanga Site</th> <th style="text-align: center;">Implementation</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10 MW Phase 1</td> <td style="text-align: center;">9 MW</td> <td style="text-align: center;">1MW</td> <td style="text-align: center;">January 1, 2025 to December 31, 2039</td> </tr> <tr> <td style="text-align: center;">14 MW additional Phase 2</td> <td style="text-align: center;">13 MW additional</td> <td style="text-align: center;">1 MW additional</td> <td style="text-align: center;">August 20, 2024 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 additional Phase 2	13 MW additional	1 MW additional	August 20, 2024 to December 31, 2039																																																						
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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. • 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. • The Bidders shall submit an offer for the 10 MW GDC for the Coron and Busuanga Plants from commencement of supply until 19 August 2024, and the 24 MW GDC for the Coron and Busuanga Plants from 20 August 2024 until the expiration of the contract Term. 																																																																		
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.																																																																		
Contracted Capacity	<p>The Winning Bidder shall make available the Guaranteed Dependable Capacity (GDC) as shown below:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <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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Preferred Plant Location	Shall be located within 10 Kilometer Radius from the existing Coron and Busuanga switchyard.																																																																		
Source of Power	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																																																																		
Connection Point	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.																																																																		

Metering Point	<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-</p>
Tariff Structure	<p>The tariff structure shall be unbundled into components as follows:</p> $\text{Total Generation Charge ("TGC")} = \text{TGC}_{\text{COR}} + \text{TGC}_{\text{BUS}}$ $\text{TGC}_{\text{COR}} = \text{CRF}_{\text{CORt}} + \text{FOMF}_{\text{CORt}} + \text{VOMF}_{\text{CORt}} + \text{FF}_{\text{CORt}}$ $\text{TGC}_{\text{BUS}} = \text{CRF}_{\text{BUSt}} + \text{FOMF}_{\text{BUSt}} + \text{VOMF}_{\text{BUSt}} + \text{FF}_{\text{BUSt}}$ <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> <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 the Coron and Busuanga Plants shall be separate based on the bidder’s proposed generation cost.</p> <p>The Winning Bidder and BISELCO shall submit for approval to the ERC the separate tariffs for the Coron and Busuanga Plants.</p>
Evaluation Framework	<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>
Outage Allowances per plant	<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 and common 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>
Force Majeure	<p>The provisions on Force Majeure of ERC Resolution No. 16 Series of 2023 and NEA Memorandum 2023-057 shall govern.</p>
Replacement Power	<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>
Form of Payment	<p>Mode of payment: Check or bank transfer to a nominated bank. Currency of Payment: Philippine Peso Billing Period: Monthly as provided in the PSA.</p>
Liquidated Damages	<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>
Reduction of Contract Capacity and/or Contract Energy	<p>At the option of BISELCO, 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>
Prompt Payment Discount	<p>The Seller shall extend a three percent (3%) discount based on the non-fuel fee (sum of Capital Recovery Fee, Fixed O&M Fee, and Variable O&M fee) 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>
Eligibility Requirements	<p style="text-align: center;"><u>Legal</u></p> <p>The following entities shall be eligible to participate in this bidding: 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> <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% x PhP75M x 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>

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.

Technical

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.

The Bidders shall have a track record of at least five (5) years of experience in operating power plants in Philippine off-grid areas.

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.