



CEBU II ELECTRIC COOPERATIVE, INC
THIRD PARTY BIDS AND AWARDS COMMITTEE (TPBAC)
COMPETITIVE SELECTION PROCESS
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SUPPLEMENTAL/ BID BULLETIN NO. 4
Procurement of 12MW Baseload of CEBECO II to Supply Power
for the period 2024-2034

The Supplemental/Bid Bulletin No. 4 is being issued pursuant to the NEA Memorandum 2023-057 and ERC Resolution No. 16, Series of 2023. The CEBECO II Third Party Bid and Awards Committee (TPBAC) published the responses to the consolidated Matrix of Comments received last April 19 and 26, 2024, and those raised during the pre-bidding conference last April 30, 2024. Attached herewith are the summary of the Consolidated Matrix of Committee;

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For Guidance and information of all concerned

Issued on this 9th day of May 2024

THIRD PARTY BIDS AND AWARDS COMMITTEE
CEBU II ELECTRIC COOPERATIVE, INC. (CEBECO II)

ENGR. PETER B. SENERES
Chairman, CEBECO II TPBAC

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)
MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
The proponent FDC has confirmed and agreed dispensation of their first submitted question due to duplication in the second submission						
21	KSPC	Definition of Terms	Page 3	Bid Bulletin- refers to an official communication bearing additional information that clarify, modify, and/or amend provisions of Terms of Reference (TOR) and/or related to the Instructions to Bidders and the procurement process.	We would like to clarify if it is legally permissible to modify and/or amend the provisions of the TOR through the issuance of a Bid Bulletin.	The 2023 NEA CSP and ERC Guidelines only prohibits amendment on Contract Duration and Quantity
22	KSPC	7. Pre-bid Conference	7.4	No new queries will be entertained after the Pre-bid Conference	The substantive law on bidding, the new CSP Rules and per practice among Electric Cooperatives in conducting the Competitive Selection Process (CSP) explicitly allow the bidder to raise queries and clarifications or comment at any bidding stage. We humbly seek for reconsideration that bidders will still be allowed to clarify, comment or ask after the pre-bid conference has been conducted, but the TPBAC must set a deadline for the submission especially those queries or clarifications that have not been properly addressed and settled during the pre-bid conference.	Deadline for the submission of New questions/inquiries after the conduct of the Prebid Conference is until the midnight of May 8, 2024.
23	KSPC	8. Eligible Bidders	8.1	Partnership duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizen of the Philippines.	Kindly elaborate on the concept of at least sixty percent (60%) of the interest belongs to citizen of the Philippines in the light of the Foreign Investment Act.	With the recent amendment to the relative laws RA 11659 and RA 11647, which was effective April 1, 2023, allows 100% ownership by Foreigners. This will be considered as amendment in the ITB
24	KSPC	15. Bid Security	15.1	The bidder shall submit a bid security equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder in the form of Cash or cashier's/manager's check issued by a universal or commercial bank or any other bank certified by Banko Sentral ng Pilipinas.	The Bid or Offer always takes time to be approved by the Top Management, which if approved will be out and sealed a night prior to the bid submission and opening for being highly confidential in nature. We would like to propose that the Electricity Fee (EF) Cap as stipulated under 16.1 of the ITB will be used as basis for the computation of Bid Security. -We humbly seek for reconsideration on our mode of posting the Bid Security with a substantial amount in the form of a Standby Letter of Credit (SBLC), which is explicitly allowed by the CSP Rules and Private Distribution Utilities CSP practices, as one of the modes of posting a bid security. -Furthermore, what is the rationale, basis behind the TPBAC for SOLELY allowing cash or manager's check as the mode of posting the bid security?	We shall rephrase Section 15.1 of the Instruction to Bidders to insert the phrase " <i>not less than or equivalent to three (3) month /90 days</i> " and indicate the different forms of Bid Security as allowed under Annex B Section 10 of ERC Resolution 16 s. 2023 and Section 8.2.9 of NEA CSP guidelines which are as follows: a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument; b. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank; or c. In case the Bid Security is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.
25	KSPC	16. Financial Proposal	16.1	Bidder's bid price shall not be greater than the overall Electricity Fee (EF) cap of Php 5.30 per kwh excluding line Rental.	May we know the basis of the Electricity Fee Cap of Php 5.30 per kwh? Is this based on the ERC approved rate in Region 7?	The Electricity Fee Cap is the most acceptable rate that will have the least impact to the member consumers. The P5.30 applies only to the first month of the first year and is still subject to indexation and escalation for VOM and FF for the succeeding months

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26	PCPC	TOR/ Power Purchase Agreement	Other Terms and Conditions/ Take-Off Structure	The cost of connection point shall be borne by the Supplier.	In the section 5.1 of the Power Purchase Agreement, it is mentioned that " Further, buyer shall bear all costs of such transmission service, from the Delivery Point up to the Receiving Point including the cost of any electric losses incurred in such transmission." May we ask if we will follow the Power Purchase agreement or the TOR?	Annex B Section 3 of the ERC Resolution 16 s 2023 provides "In case of conflict between the TOR and the PSA, the former shall prevail". Considering that "The Delivery and Metering Point shall be at the connection point of the DU to the Grid", then, Line Rental Charges shall be for the account of the Seller.
27	PCPC	TOR	Pricing Structure	Energy-based PSA	Is the schedule of delivery provided the guaranteed off-take of the Buyer?	The TOR provides: "The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol."
28	PCPC	TOR	Pricing Structure	Bidders shall submit the base prices of each Tariff Component, based on December 31, 2023 Indexes in the Financial Bid envelope taking into consideration the minimum requirements of the TOR.	Is the fuel and VOM pass-through? or is there escalation with certain indices allowed?	Fuel and VOM are variable components of the Tariff and is subject to escalation.
29	PCPC	TOR	Outage Allowance per Plant	Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower.	Based on the ERC Resolution 16 of 2023 section 4.6 (Replacement Power) , the actual price of the Replacement Power; or the approved charge for the PSA, whichever is lower is only applicable to the following: 1. If the winning bidder was not able to provide supply from the specific plant type specifically granted in the Physical PSA. 2. If the Winning bidder was only to provide partial 3. In case of outages that exceeded the authorized outage allowance. May we ask which document to follow for the outages within the authorized outage allowance. Based on the ERC Resolution 16 of 2023 section 4.6 (Replacement Power) , the actual price of the Replacement Power; or the approved charge for the PSA, whichever is lower is only applicable to the following: 1. If the winning bidder was not able to provide supply from the specific plant type specifically granted in the Physical PSA. 2. If the Winning bidder was only to provide partial 3. In case of outages that exceeded the authorized outage allowance. May we ask which document to follow for the outages within the authorized outage allowance.	On the matter of Replacement Power we shall follow the provisions of our PSA as follows: "4.5.2 Within and/or Beyond the Allowed Outage. The procurement of any Replacement Power within and/or beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, the Buyer shall be allowed to source the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the ERC approved charge for the PSA, whichever is lower."
30	MPI	TERMS OF REFERENCE	Target Delivery	07/26/2024 ERC Approval of PSA Upon expiration of EPSA on 7/25/2024	1) 10 years up to 25 July 2034 or 10 years from Supply Effective Date (SED) assuming actual supply shall not start July 26, 2024 if there is no ERC approval?	The contract will commence upon satisfaction of the conditions precedent and shall be effective for a period of 10 years or as allowed by ERC.
31	MPI	TERMS OF REFERENCE	Bid Price	Refer to the Bid documents	1) What comprises the "ceiling price" other than line rental? (Generation Rate, other WESM charges other than line rental, RP cost, PPD, VAT, etc.?) 2) Is the ceiling price applicable to (a. Base Price b. Adjusted rate for 1st contract year c. Levelized cost of electricity of the entire contract term)? 3) Is the Php5.30 ceiling price computed at 100% Capacity Utilization Factor or Load Factor?	1. The ceiling price comprises the Tariff Components: CRF+FOM+VOM+Fuel. 2. The ceiling price is applicable to the base price 3. Ceiling Price shall be computed at 100% load Factor

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32	MPI	TERMS OF REFERENCE	For Energy-based PSA	12MW Baseload requirement	1) What is the current peak demand of CEBECO II as well as its projected annual peak demand over the 10 year period? 2.) Will the RPS requirement of CEBECO II be bid out separately? 3.) Can the Bidders be clarified as to how CEBECO II defines a baseload, intermediate, & peaking requirement?	1. As of Month,2024 the current captive peak demand is 53 MW. Please refer to the Information Memorandum 2. Yes, there will be a separate bidding for RPS 3. Baseload - CEBECO II defines baseload as 70% annual energy requirement for captive customers. Additionally, 20% is allocated to intermediate and 10% for peaking.
33	MPI	TERMS OF REFERENCE	Pricing Tariff Structure	Energy-Based	1) Will the indices affecting fuel fee be based on Dec 2023 levels similar to US CPI and Peso CPI? 2) DU to provide forecasted/projected financial indices for the use of the Bidder in calculating the adjusted fees for every month/year of the PSA. 3) At what capacity utilization factor or load factor should the simulated value for every month/year to be calculated?	1. Only Peso CPI 2. Yes we can provide the projected Financial Indices. A sample index was provided in the Financial Proposal. 3. 100% Load Factor
34	MPI	TERMS OF REFERENCE	Outage Allowances per Plant	Submit outages (scheduled & unscheduled), not more than 30 days per year	We suggest to align outage allowance per plant to ERC Resolution 10 Series of 2020, on the maximum allowed outage per plant type.	Source of Power is Open Technology. We shall adopt the standard planned and unplanned outages determined by ERC for the different plant technologies indicated in Annex A, Article V, Table 1 under ERC Resolution 10 s. 2020 and make the necessary revisions in the TOR and PSA and reflected in the Final Instruction to Bidders
35	MPI	TERMS OF REFERENCE	Outage Allowances per Plant	Bidders shall submit their annual nomination of scheduled and unscheduled outages not exceeding 30 days per year. Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower. All Planned Outages must be scheduled and declared twelve (12) months in advance. There will be no carry-over of any unutilized outage allowances	Please clarify the rationale for allowing Outage Allowances if supply of the Contract Capacity/Contract Energy are to be guaranteed even during the Supplier's nominated plant's scheduled and unscheduled outages.	NEA requires that the Seller shall nominate its scheduled and unscheduled outages for each year of the contract period. This will aid the DU to monitor the schedule of the Seller's actual plant outages and determine the actual cost of replacement power during such period.
36	MPI	TERMS OF REFERENCE	Outage Allowances per Plant	Replacement Power charged using ERC-approved rate or actual rate, whichever is lower	1) Why is the Supplier required to provide RP if Physical PSA? 2) If Replacement Power is to be guaranteed by the Winning Bidder, must it be paid at the ERC-approved Contract Charges? 3) We suggest to convert Outage Allowance to hours instead of days. 4) Does nomination of Unscheduled Outages means that the Power Supplier should inform the buyer of the projected duration of the outage?	1. CEBECO II requires a guaranteed supply of power even during events of plant outages of the Seller 2. Cost of replacement power shall be accordance with section 4.5.2 of draft PSA, ERC Approved Rate or Actual Supply whichever is lower. 3. We shall use days to be consistent with ERC regulations. 4. The Nominated Unscheduled Outage is the difference between the Total nominated outages less the nominated Scheduled outage of the plant. Seller shall notify the actual duration of the unscheduled outage after its occurrence for the DU to verify the actual cost of replacement power
37	MPI	TERMS OF REFERENCE	Force Majeure	No payment of capacity fees during FM	1) Is the Winning Bidder not obligated to supply Contract Capacity during events of Force Majeure (FM)? 2) How different or similar are the FM provisions under GenCos normal PSA templates viz-a-viz DOE CSP Policies?	1. Obligation to Supply by the Winning Bidder shall be in accordance with what is provided in the PSA 2. The Force Majeure provisions under this CSP is based on the Guidelines set under ERC Resolution 16 s. 2023
38	MPI	TERMS OF REFERENCE	Penalty Provisions		1) Are the Penalty provisions applicable to both Parties? 2) If yes,suggest that the penalty be imposed only when the defaulting Party is solely at fault.	1. No, the penalty provision stated in the TOR is applicable only to the Supplier because this refers only to cases of delay in construction of the power plant or commencement of commercial operations.
39	MPI	TERMS OF REFERENCE	Reduction in CC	Customer may assign portion of Contract it no longer require"	Maybe an example of customer to be assigned, is it another DU, a Local RES or Contestable Customer?	1. This will be revised to conform with the standard provision for Reduction of Contracted Capacity and/or Contracted Energy of ERC Resolution 16 s.2023. Such same provision is indicated in Section 4.3 of the draft PSA template.

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40	MPI	TERMS OF REFERENCE			Kindly expound on the assignability provision to be used as a reduction in CC?	
41	MPI	TERMS OF REFERENCE	Prompt Payment Discount	Best offer but not less than 1% of CRF	1) Can PPD and other forms of discounts shall form part of the Bid Price evaluation in determining the lowest bid? 2) Can Bidder offer other forms of discounts other than PPD in either PhP/kWh or percentage(%)?	1. The PPD and other discounts shall not form part of the Bid Price as provided in the TOR. However, such will be considered in the determination of the Lowest Calculated Bid 2. Yes. Other forms of discount are accepted as long as declared by the Bidder in its Bid Offer as unconditional
42	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Regulatory Approval	We suggest to reevaluate the timeline for regulatory approval. The 30 days timeline for filing with the ERC after the execution of the PSA is way beyond the target Supply Effective Date of 26 July 2024.	The timeline is in accordance with Section 24 of the ERC Resolution 16 s. 2023. The contract will commence upon satisfaction of the conditions precedent and shall be effective for a period of 10 years or as allowed by ERC.
43	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Dispatch by Utility	1) Is the 50% of CC considered as the committed "Minimum Energy Off-Take (MEOT)" or the given Monthly Contract Energy? 2) Will this be on a "per trading interval" or "monthly" basis?	1. The Minimum Energy Off-Take (MEOT) shall be based on the Monthly Contracted Energy requirement as provided in the TOR. 2. The 50% dispatch will be on a per trading interval and shall be in accordance with the agreed Dispatch Protocol as Annex in the PSA
44	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Source of Power: Open Technology	1) Can a Bidder with a nominated plant which cannot generate to supply a baseload requirement of the Buyer or at least 50% can join the CSP? 2) If within the duration of the Term of the PSA, a Winning Bidder (RE) becomes VATable, it should not be allowed to pass on said applicable VAT.	1. The nominated plant should be capable of providing the Baseload requirement of 12MW at all times. 2. VAT is a pass-on charge.
45	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Take-Off Structure	Given that CEBECO II is a direct WESM member and that the delivery and metering point of the DU to the grid is at the Plant Gate, can CEBECO II confirm that all WESM charges including Line Rental are for its account?	The delivery point is the connection point of CEBECO II to the grid. Therefore, Line Rental is for the account of the Seller.
46	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Years of Experience	Will one (1) or two (2) existing DU customers suffice this requirement?	Yes. Provided that the Customers can provide Certificate of Good Performance/Track Record
47	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Other Bidder's Qualification: For new power suppliers	Can a greenfield power plant supply a physical nature of PSA by 26 July 2024?	Yes. Provided that all the Eligibility requirements are complied with.
48	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Grounds for Contract Termination: Failure to achieve COD, beyond 60 days	Please confirm that the failure to achieve COD by reason of non-approval of the PSA by the ERC shall result to either Party having the right to terminate the PSA.	ERC approval of the PSA is a condition precedent to COD, so non-approval of such PSA by ERC may result to either party having the right to terminate the said PSA.
49	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Grounds for Contract Termination: Expiration, reduction or revocation of the franchise of the DU	1) Until when is the validity of the Franchise Right of the BUYER? 2) What will be the effect of the expiration of the franchise right of the Buyer to the PSA?	1. CEBECO II Franchise is until 2040
50	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Indicative Schedule of Activities	Please include in the timeline the following: (a) Notice to Proceed and (b) target filing of Joint Application with the ERC on 15 August 2024 (30 days from execution of the PSA)	To be included in the Final Instruction to Bidders
51	MPI	TERMS OF REFERENCE	Other Terms and Conditions	Other Matters	Will the BUYER provide an evaluation template for this CSP possibly an electronic copy (Excel format)? This file shall compute the Levelized Cost of Electricity (LCOE) over the 10-year period.	It is part of the Bidding Documents (Annex B-1: Financial Bid Form)
52	MPI	Instruction to Bidders	Item 8.5	Bidders must have a debt ratio not exceeding 50% as reflected in the 2022 Audited Financial Statements.	Please clarify the basis and relevance for the 50% debt ratio requirement.	The debt ratio is valuable for evaluating a company's financial structure and risk profile. We will still consider Bidders with above 50% Debt Ratio. But this will be considered in the evaluation.

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53	MPI	ITB	7. Pre-Bid Conferences	7.1 Pre-bid conferences shall be held on April 30, 2024, 9 O'clock in the morning at CEBECO II Multipurpose Hall, National Highway, Barangay Malingin, Bogo City, Cebu, Philippines...xxx.	We suggest to allow at least four (4) representatives to attend the pre-bid conference.	We only allow a maximum of Three (3) Authorized Representatives per Prospective Bidder.
54	MPI	ITB	8. Eligible Bidders	8.4 Bidders must provide copies of its Certificate of Compliance (COCs) issued by ERC, the latest Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR). In lieu of COC, Bidders shall submit a certification issued by the ERC indicating the status of the bidder's application.	In lieu of COC, please confirm that a Bidder may submit a valid/existing Provisional Authority to Operate (PAO) or a letter/certification from the ERC that the Bidder has a pending request for extension/renewal of an expired PAO.	A valid PAO or an ERC certification of a pending request for extension/renewal of an expired PAO is acceptable.
55	MPI	ITB	14. Eligibility Requirements for Bidders	14.1.3 Legal documents	<ol style="list-style-type: none"> 1. Please confirm that certified true copy of the required legal documents may be submitted. 2. Please confirm that the Authorized Representative of the Bidder may also certify the documents as true and correct copy of the original. 3. Please confirm that the submission of document that is electronically signed/certified by the Document custodian or Authorized Representative of the Bidder will be allowed. 	<ol style="list-style-type: none"> 1. Certified true copies of the required legal documents may be submitted except documents listed in Annex C (Checklist of Eligibility Documents) particularly those under Folder C items ix.a-j, x, and xi. 2. Provided that said authority is indicated in the Secretary's Certificate of the Authorized Representative of the bidder. 3. Electronic signatures are not admissible
56	MPI	ITB	14.1.4 Technical Capability Information	<ol style="list-style-type: none"> a. List of projects undertaken over the last ten (10) years; b. List of electricity generation plants that the Bidder has operated for the last five (5) years; and c. Proof of /Documentation on track record for the last five(5) years of power plants operated by it. 	<ol style="list-style-type: none"> 1. Please confirm if the projects mentioned pertain to power supply contracts with other DU customers. If yes, we suggest to limit this to customers that are similarly situated with CEBECO II as a Distribution Utility. 2. What particular document or example does the TPBAC mean by <i>the proof of documentation on track record</i> ? 	<ol style="list-style-type: none"> 1.Confirm, customers who share similarities with CEBECO II in terms of distribution utility 2.Document e.g. ERC Certificate of compliance is one example that illustrates your organization's regulatory compliance; and capabilities in the context of the project discussion or a customer proof of supply.
57	MPI	ITB	14.1.4 Technical Capability Information	Other relevant information showing proof of the technical capabilities of the Bidder that would be helpful to the TPBAC and TWG.	What particular document does the TPBAC mean by <i>for other relevant information</i> ?	1. Annex B.2 - Technical Proposal
58	MPI	ITB	14.1.4 Technical Capability Information	The Bidder shall submit, as part of its technical proposal, the names of the power plants from which it shall source the electricity, as well as the mechanism or protocol on how the manner of supply will be implemented.	<ol style="list-style-type: none"> 1. What do you mean with mechanism and protocol? Please give an example. 2. We suggest that the TPBAC provide a form for this requirement so that the Bidders are guided on what exact details are need to be shown. 	If supply will come from multiple units of a nominated power plant, then the Bidder must submit the manner the supply of the contracted capacity/energy will be implemented.
59	MPI	ITB	14.1.5 Financial Information	Latest Audited Financial Statement available, showing, among others, the prospective Bidder's total and current assets and liabilities, stamped "received" by the Bureau of Internal Revenue (BIR) for the preceding calendar year from the date of bid submission;	The AFS were now submitted online through the BIR website instead of the usual physical submission. Can the Bidders submit the email confirmation from BIR proving submission of the AFS instead of a "stamped received" document?	1. Electronic AFS Confirmation can be submitted in lieu of the BIR stamped Received
60	MPI	ITB	14.1.5 Financial Information	Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio for Fiscal/Calendar Year 2021 and 2022.	Please clarify what specific financial ratios are required to be provided by the Bidder covering Fiscal/Calendar Year 2021 and 2022.	The Bidder shall provide Debt Ratio, Quick Ratio, Current Ratio,

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61	MPI	ITB	15. Bid Security	15.1 The bidder shall submit a bid security equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder in the form of Cash or cashier's/manager's check issued by a universal or commercial bank or any other bank certified by Banko Sentral ng Pilipinas and shall be issued in favor of Cebu II Electric Cooperative, Inc. or CEBECO II.	We suggest to include Standby Letter of Credit (SBLC) issued by a universal or commercial bank or any other bank certified by Banko Sentral ng Pilipinas, as a form of Bid Security.	Bid Security forms allowed under Section 8.2.9 of NEA CSP guidelines are as follows: a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument; b. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank; or c. In case the Bid Security is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.
62	MPI	Annex C		CHECKLIST OF ELIGIBILITY REQUIREMENTS AND PROPOSAL	Please confirm that this Checklist of Eligibility and Bid Requirements (Annex C) is the final list to be followed to be able to comply with all the requirements of this bidding.	Additional -Technical Bid Form to be supplied
63	MPI	Annex D5 and D6		1. I am the authorized representative of [Name of Bidder] as per Board Resolution No. _____, dated _____, submitted in accordance with this Transaction;	Please confirm that that Bidders are free to replace the word "Board Resolution No." to "Secretary's Certificate"	Confirm.
64	MPI	Others	Financial Bid Form		Can we request CEBECO II to conduct briefing on how to fill up and provide editable version of the Financial Bid Form provided in excel file?	This will be discussed in the Pre-Bid Conference after the open forum
65	CEDC	ITB/TOR	Contract Term	The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs. For Physical PSAs, the maximum term shall be for a period of fifteen (15) years, except for Physical PSAs where the nominated plants are renewable energy power plants, in which case it may have a maximum term of 20 years. All of these terms shall be reckoned from commencement of supply.	Kindly elaborate why there are 3 different cooperation periods per type of PSAs?	This is in accordance with Section 13 of ERC Resolution 16 s. 2023 defining Maximum Term. The Contract Term for this CSP is Ten (10) years as indicated in the requirement column of the TOR.
66	CEDC	ITB/TOR	Target Delivery Date	Conditions Precedent to Start of Supply: ERC approval of PSA. and, Expiration of the EPSA on July 25, 2024	a. Is there a chance that your existing EPSA will be extended after July 25, 2024? b. Would a Provisional Authority issued by ERC be considered as precedent to start of supply?	a. EPSA will no longer be extended after July 25, 2024 b. A Provisional Authority or Interim Relief issued by ERC shall be considered as in compliance to the condition precedent and shall mark as Start of Delivery as will be provided in the PA or IR.
67	CEDC	ITB/TOR	For Energy-based PSA		Is it safe to say that this is a 100% Load Factor/Utilization Factor contract?	The TOR provides: "The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol."
68	CEDC	ITB/TOR	Tariff Structure		Is it correct that the fuel to be charged will be based on the actual fuel cost of the power plant?	Fuel Cost shall be based on the actual fuel cost of the nominated power plant or as approved by ERC.

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69	CEDC	ITB/TOR	Outage Allowances per plant	Bidders shall submit their annual nomination of schedule and unscheduled outages not exceeding 30 days per year. Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower. All Planned Outages must be scheduled and declared (12) months in advance. There will be no carry-over of any unutilized outage allowances	a. Is there a chance that the supplier can declare outage and not to provide replacement power since it is stated the the supplier is allowed of a 30 days outage allowance? b. Can the supplier declare in advance the scheduled outage 30 days before the end of the Calendr Year and revise depending on the schedule of plant outages from NGCP? c. Please confirm that the 30 days Outage Allowance is calculated based on a per generating Unit basis d. Please clarify if the winning bidder shall be entitled to 30day Planned Outage Allowance AND 30 days Unplanned Outage Allowance.	a. The TOR provides that the Winning Bidder shall provide Replacement Power. This is similarly indicated in Section 4.5 of the PSA provided to the Bidders b. The Winning Bidder shall submit the nominated scheduled and unscheduled outage not less than three (3) months prior to the commencement of each year after the year in which the Scheduled Commercial Operation date occurs and shall notify the Buyer of any changes thereafter (Sec. 4.4.2 of the PSA) c. The outage allowance shall be based on what has been nominated by the Winning Bidder which most likely would be on a per unit basis for multiple unit plants d. The 30-day outage allowance referred to in the TOR shall mean the total of the nominated scheduled and unscheduled outage of the plant/unit per year but shall not exceed 30 days.
70	CEDC	ITB/TOR	Replacement Power		Is it safe to say that the mandatory Replacement Power will kick-in after the 30 days outage allowance	As mentioned earlier, it shall be the Bidder's obligation to provide replacement power during all plant outages.
71	CEDC	ITB/TOR	Reduction of Contract Capacity and/or Contract Energy	a. Loss of captive customers due to retail competition and Open Access and Green Energy Option Program b. Reduction of demand of the Du due to special circumstance beyond control of the DU	a. May we know the formula on how to reduce the contract capacity due to RCOA and GEOP? b. May we know the possible scenario relative to item b?	Unforeseen move of the Captive Customers availing GEOP or regulatory reduction of threshold cannot be foreseen. We cannot provide a definitive formula to address this for the moment. We will reconcile the TOR and PSA to conform with the ERC Resolution 16 s. 2023 on the provision for Reduction of Contracted Capacity and/or Contracted Energy
72	CEDC	Intruccion to Bidders	16.1	Bidder's bid price shall not be greated that the overall electricy fee (EF) cap of 5.30 per kWh excluding line rental. Bid offers which are more than the bid cap shall be autonatically rejected	Is it correct that the Line Rental is not a factor in determining the winning bid price?	Cost of Line Rental shall not be considered in the determination of the Bid Price since such will be to the account of the Winning Bidder.
73	CEDC	Annex E: Infomration Memorandum (page 2)	Franchise		Kindly elaborate why there are two (2) fanchise issued to CEBECO 2? May we know the exact expiration of the 2 franchise?	The Certificate of Franchise issued by the National Electrification Commission as presented in the Information Memorandum is valid for 50 years. CEBECO II was granted two (2) Certificates of Franchise which are valid until August 13, 2030 and January 22, 2040 respectively.
74	CEDC	Annex E: Infomration Memorandum (page 4)	Customer Profile and No. of Customers		a. May we know the estimated demand that probably switch to RCOA and GEOP aside of your Large Load Customers? b. In the event that there will be new future facilities/loads that will qualify under RCOA and GEOP, would these loads no longer be considered on the reduction to the contracted capacity?	a. Unforeseen move of the Captive Customers availing GEOP or regulatory reduction of threshold cannot be foreseen so we cannot provide estimates. b. New loads or customers that will qualify undr RCOA and GEOP may no longer be considered on the reduction of the contracted capacity
75	CEDC	Intruccion to Bidders	14. Eligibility Requirements		Please confirm that Company Representative's certification on the Legal Documents is acceptable.	Provided that said authority is indicated in the Secretary's Certificate of the Authorized Representative of the bidder.
76	CEDC	ITB/TOR	Grounds for Contract Termination		Please confirm that the terms of the PSA, including Change in circumstances, is subject to negotiations during PSA finalization	What particular terms of the PSA is the Bidder referring to? Are you referring to the provisions under the Grounds for Contract Termination indicated in the TOR? The Final PSA shall contain the provisions indicated in the TOR and all other information resulting from the Awarding of the Bid relative to the Winning Bidder's offer subject to the approval of ERC
77	CEDC	Instructions to Bidders	Technical Proposal 17.2	d. Copy of Fuel/Coal/Steam Sale Agreement e. Copy of Agreement for the Supply and Delivery of Goods/Fuel f. Certificate/Document stating the Consumptino Rate of Fuel Used	Due to confidentiality, may the Bidder submit a sworn statement ensuring that the Supplier will be responsible in ensuring sufficient fuel supply for the entire contract term?	Bidder may submit a redacted copy of the agreements relative to the supply of fuel

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
78	CEDC	Instructions to Bidders	Eligibility Requirements for Bidder 14.1.4	a. List of projects undertaken over the last ten (10) years	May we know what type of projects is required in this item? Do projects pertain to the construction of power generating plants?	
79	CEDC	Instructions to Bidders	Eligibility Requirements for Bidder 14.1.5	c. Details of equity and financing plan indicating the capital structure and source of funds with supporting documents; d. Letter of Credit, Bank Guaranty or Committed Line of Credit, or any proof of firm commitments from a reputable financial institution to provide sufficient credit lines to cover the total estimated cost of the project for prospective generation facilities; e. In the case of a consortium, the agreement indicating that the members are jointly and severally liable for the obligations of the Project Proponent under the contract	The requirements do not apply to existing/operating companies since source of funds rely on revenue. For TPBAC's clarification, if not applicable, can the bidder submit a letter of explanation for non-applicability?	Financing plans may originate from issuance of bond, taking-out loans, debt financing and retained earnings accumulation and appropriations. Revenue is part of equity most like whatever source of fund can be projected.
80	CEDC	Intruction to Bidders	Financial Proposal 16.1	Bidder's bid price shall not be greater than the overall electricity fee (EF) cap of 5.30 per kWh excluding line rental. Bid offers which are more than the bid cap shall be automatically rejected	Please define "bid price". Is it the base price offer for the 1st month of the 1st year or is it the long-term leveled price?	Bid Price is the Base Price offer of the Bidder based on December 2023 indices
81	CEDC	ITB/TOR	Contract Term	The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs. For Physical PSAs, the maximum term shall be for a period of fifteen (15) years, except for Physical PSAs where the nominated plants are renewable energy power plants, in which case it may have a maximum term of 20 years. All of these terms shall be reckoned from commencement of supply.	Kindly elaborate why there are 3 different cooperation periods per type of PSAs?	This is in accordance with Section 13 of ERC Resolution 16 s. 2023 defining Maximum Term. The Contract Term for this CSP is Ten (10) years as indicated in the requirement column of the TOR.
EXTENDED DEADLINE						
1	FDC-MPC		Pricing Structure	Energy Based	1.) All existing contracts with DU/EC are capacity based contracts - and moreover, that this is a baseload contract. Recommend contract be converted to capacity based. 2.) Since it a Physical Contract it must be Capacity-Based not Energy-Based? What is the Energy Multiplier?	Suggestion is considered and replace from Energy Based to Capacity Based since this is a baseload requirement.
2	FDC-MPC		Contract Term (The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs. For Physical PSAs, the maximum term shall be for a period of fifteen (15) years, except for Physical PSAs where the nominated plants are renewable energy power plants, in which case, it may have a maximum term of twenty (20) years. All of these terms shall be reckoned from commencement of supply.)	The Power Supply Agreement (PSA) shall take effect for a period of ten (10) years, unless earlier terminated in accordance with the provisions of the PSA.	1.) Perhaps the Physical PSA contract term can be extended to 15 or 20 years, as it is allowed by the ERC and NEA. because conducting a Competitive Selection Process is more strenuous than updating a report.	CEBECO II finds it most beneficial to have a contract term of only Ten (10) years
3	FDC-MPC		Target Delivery Date	07/26/2024 Conditions Precedent to Start of Supply: a. ERC approval of PSA, and, b. Upon expiration of the EPSA on July 25, 2024	1.) What happens if there is a failure to bid, and the EPSA has already expired.? will CEBECO2 seek Interim Relief for the extension of EPSA? 2.) What happens when to CEBECO 2 if the ERC approval for PSA is delayed?	CEBECO II will find appropriate remedies to address these situations.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

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No.	PROPOSER	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
4	FDC-MPC		Bid price in Philippine Peso per kilowatt-hour (PhP/kWh) <i>(the "ceiling price"- inclusive of fuel cost but excluding any penalties and/or discounts to be implemented for the duration of the contract period)</i>	Refer to the Bid Documents	Suggest that: Fuel Cost should be the latest (Feb 2024- April 2024). Since it is most reflective of the Fuel of the Power Plant at this time. We believe that the ceiling price as stipulated by CEBECO 2 is restrictive and does not reflect the current market situation. Unless lifted, this may result to a failed bid and issues arising as stipulated above.	The CEBECO II finds that the December 2023 Billing is relevant as basis for the rate evaluation.
5	FDC-MPC		Tariff Structure		We assume that CFR and FOM are 100% of the contracted Capacity (MW). Please confirm.	Being Fixed components, computation of CRF and FOM shall based on the Contracted Energy while Variable components shall be computed based on the Actual Energy delivered by the Seller.
6	FDC-MPC		Outage Allowances per plant	Bidders shall submit their annual nomination of scheduled and unscheduled outages not exceeding 30 days per year. Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower. All Planned Outages must be scheduled and declared twelve (12) months in advance. There will be no carry-over of any unutilized outage allowances	NGCP declares scheduled outages and may not be 12 months in advance or it may be changed. Outages upon receipt by GEN should be communicated to EC soonest. seller does not determine the schedule of its outage but the NGCP does. Seller has no obligation to follow the schedule set - other than that of the NGCP. Planned Outage 1 year advance information - NGCP should provide the official information	The seller is obligated to nominate twelve (12) months in advance its planned scheduled outages and the projected unscheduled outages of the nominated plant per year subject to the approval of NGCP.
7	FDC-MPC		Replacement Power	Section 15: Obligation to Provide Replacement Power The Winning Bidder is under the obligation to provide the entire contracted capacity. In the case of Physical PSA, the Winning Bidder shall deliver the contracted capacities from its nominated plants, and where it is unable to deliver from these plants, it shall procure replacement power, subject to the guidelines provided herein. In providing such replacement power, the DU and the Winning Bidder shall have the obligation to supply electricity in the least cost manner to the captive market. Further, the DU shall optimize its supply mix and sources in a way that this obligation shall be fulfilled. Further, the Winning Bidder is under the obligation to pay for the difference, if any, between the cost of the replacement power incurred by the DU and the provisionally or finally approved generation rate. Likewise, in any of the following cases, the Winning Bidder shall source and provide replacement power: (a) If the Physical PSA provides that the supply requirement shall be originating from a specific plant type with a provisional or final generation rate granted specifically to such plant, and the Winning Bidder was not able to provide supply from such plant type, the Winning Bidder shall be responsible for the provision of replacement power at the generation rate equivalent to the provisional or final ERC-approved generation rate for such plant type, or the actual rate of the replacement power, whichever is lower; (b) If the Winning Bidder was only able to provide partial electricity supply requirement of the DU, contrary to what is provided for under a duly executed Physical PSA, the Winning Bidder shall be	Generator shall provide this replacement power at contract rate. While EC seeks lowest cost for MCO's, RP is just that not subject to the lowest cost provision. Replacement power during outage allowance – best effort The RP on the outage that exceeds the outage allowance should be only based on the ERC approved rate, and not subject to the lowest cost provision.	Best Effort is not quantifiable. In as much as the Obligation to Provide Replacement Power is clearly stipulated in Section 15 of the ERC Guidelines, we also reiterate CEBECO II's objective, as a matter of social responsibility, is to provide power to its member consumer-owners at reasonable and justifiable rates.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
8	FDC-MPC		<p>Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations <i>(Ideally, the penalties should be at levels that is reasonably low so as not to discourage interested parties, at the same time reasonably high so as to discourage parties who may otherwise be willing to risk not meeting the delivery timetable or supply obligations in order to obtain the contract. At the same time, the penalty</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> The DU shall have the right to impose penalties whenever Supplier fails to comply with its obligations within the cure period stated in the PSA under the following circumstances: <ul style="list-style-type: none"> a) Payment of damages upon contract termination based on valid grounds; b) Delay in Commercial Operation Date (COD); c) Failure of power delivery; and d) Other grounds detailed in the Power Supply Agreement. <input type="checkbox"/> The DU shall also have the right to forfeit the performance security and bid security in instances enumerated in the Instruction to Bidders. <input type="checkbox"/> The non-defaulting Party may terminate the PSA subject to prior notice which shall not be less than thirty (30) calendar days. 	<p>All penalties such as these, should be ERC approved and not at the option of DU. These penalties that CEBECO 2 request is an additional cost that will be borne by CEBECO MCO's with no clear benefit to the effective functioning of the PSA.</p>	<p>The penalty provision stated in the TOR refers only to cases of delay in construction of the power plant or commencement of commercial operations.</p> <p>Other Penalty provisions in the PSA shall be formulated and agreed upon by the Winning Bidder and CEBECO II subject to the approval of ERC.</p>
9	FDC-MPC		<p>Reduction of Contract Capacity and/or Contract Energy (EC to prepare protocol for the reduction in the contract or capacity or energy with observance with existing rules and regulations)</p>	<ul style="list-style-type: none"> <input type="checkbox"/> The reduction of contract capacity shall be allowed in case of: <ul style="list-style-type: none"> a) Loss of captive customers due to Retail competition and Open Access and Green Energy Option Program b) Reduction of demand of the DU due to special circumstances beyond the control of the DU. <input type="checkbox"/> Customer may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract it no longer requires to: <ul style="list-style-type: none"> a) Any of its business segment without the prior consent of Power Supplier; or b) Any affiliate or third party subject to the consent of Power Supplier <input type="checkbox"/> The consent by the Power Supplier shall not be unreasonably delayed or conditions at the disadvantage of the DU <input type="checkbox"/> Any reduction shall require approval of the ERC and must comply with applicable rules of the competition set by the Government. 	<p>The reduction of the demand of captive customers of the DU should not be the basis of Reduction of the Contracted Levels.</p> <p>3. The reduction of contract capacity shall be allowed, subject to final determination/decision of the ERC, in case of: - please propose additional phrase so that this material investment risk is managed.</p> <p>4. Loss of captive customers due to Retail competition and Open Access and Green Energy Option Program – Reduction from this should be in proportion to the reduction of the demand of the total DU subject to mechanism to allow generator to verify the same.</p> <p>5. Reduction of demand of the DU due to special circumstances, should be defined clearly and explicitly, otherwise propose to remove this proviso.</p>	<p>Unforeseen move of the Captive Customers availing GEOP or regulatory reduction of threshold is not guaranteed.</p> <p>We will reconcile the TOR and PSA to conform with the ERC Resolution 16 s. 2023 and the NEA Guidelines (Section 4.3 of Annex C-2) on the provision for Reduction of Contracted Capacity and/or Contracted Energy</p> <p>The Winning Bidder and CEBECO II shall agree on the protocol for the Reduction of Contracted Capacity which shall form part of the PSA</p>

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPOSER	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
10	FDC-MPC		Regulatory Approvals	<p>a) The DU and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules within thirty (30) calendar days after the execution of the PSA.</p> <p>b) The Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and the DU should not be made to shoulder the incremental difference.</p>	<p>6. Please propose changes to this requirement to allow flexibility to ERCs interpretation and subsequent issuances. The DU and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules, and within the period allowed by the ERC, thirty (30) calendar days after the execution of the PSA.</p>	<p>Item a. will be corrected and shall read: "The DU and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules within thirty (30) calendar days after the execution of the PSA or within the period allowed by ERC"</p>
11	FDC-MPC		Dispatched by Utility	<p>The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol.</p>	<p>Propose that the MEOT be peg at 70% - 50% is below the Pmin of the Power Plant.</p>	<p>MEOT shall be at 100%. The DU and the Winning Bidder shall formulate a dispatch protocol which shall form part of the PSA as an Annex</p>
12	FDC-MPC		Take-off Structure	<p>The delivery and metering point shall be at the connection point of the DU to the Grid. The cost of connection point shall be borne by the Supplier.</p>	<p>The take off point should be on the exit gate of the power plant not by the connection point of the DU to the Grid.</p>	<p>CEBECO II finds it most beneficial that its Connection Point to the Grid shall serve as the Delivery and Metering Point of the Winning Bidder.</p>
13	FDC-MPC		Years of Experience	<p>a) Bidder must exhibit control over generating capacity of power plant(s). Certificate of good performance/track record with other customers shall be required.</p> <p>b) List of the Bidder's generation portfolio must be supported by copies of its Certificate of Compliance issued by ERC</p>	<p>Suggest that CEBECO 2 contract with the Generator which has at least 25 MW contract with an EC in the past year.</p>	
14	FDC-MPC		Grounds for Contract Termination	<p>No party to the PSA shall be allowed to terminate the contract within the validity period unless expressly allowed under the ERC Resolution No. 16, Series of 2023.</p> <p>a) A motion for termination of a PSA must be justified only on any of the following grounds:</p> <ol style="list-style-type: none"> 1. Failure to achieve COD, beyond 60 days 2. Bankruptcy or insolvency of the Genco 3. Expiration, reduction or revocation of the franchise of the DU 4. Breach of Contract 5. Default of either party without fault or negligence on the other party 6. Force majeure rendering the supply of electric impossible to accomplish 7. Extended Force Majeure as agreed under the PSA. 8. Changes in the circumstances as agreed under the PSA. 9. Any other circumstances analogous to the foregoing grounds <p>b) Rate reductions made by the ERC shall not be a valid ground for the termination of the Contract. DU shall not pay for the said rate reduction or adjustments.</p>	<p>Grounds for Contract Termination No party to the PSA shall be allowed to terminate the contract within the validity period unless expressly allowed under the ERC Resolution No. 16, Series of 2023.</p> <p>a) A motion for termination of a PSA must be justified only on any of the following grounds:</p> <ol style="list-style-type: none"> 1. Bankruptcy or insolvency of the Genco 2. Expiration, reduction or revocation of the franchise of the DU <p>Please confirm end date of CEBECO 2's franchise since the CSP is for a 10 year Power Supply Agreement (or until 2034) and that it will not be a basis for the termination of the PSA.</p>	<p>The Franchise of CEBECO II will end in 2040.</p>

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
15	FDC-MPC			Bidders must have a debt ratio not exceeding 50% as reflected in the 2022 Audited Financial Statements.	CEBECO 2 seeks to assure the financial viability of the Supplier. The debt ratio is only one of them and not reflective of the financial soundness of the generator. Suggest that other measures or equivalent may be provided. The debt ratio is reflective of the financial planning of the generator only. Request to delete this or allow equivalent to be provided.	We will still consider Bidders with above 50% Debt Ratio.
16	FDC-MPC		Outage schedule 4.4.2	buyer will advise the preferred schedule of its outage.	seller does not determine the schedule of its outage but the NGCP does. Seller has no obligation to follow the schedule set - other than that of the NGCP.	The seller is obligated to nominate planned scheduled and unscheduled outages of the nominated plant per year subject to the approval of NGCP
17	FDC-MPC		4.4.4	buyer will advise with 60 days and a written notice the scheduled outage	seller does not determine the schedule of its outage but the NGCP does. Seller has no obligation to follow the schedule set - other than that of the NGCP.	This is a standard provision in the PSA template. This is to emphasize the provision: "provided, however, that Buyer shall not request that such Scheduled Outage be rescheduled in a manner or time outside the Minimum Functional Specifications"
18	FDC-MPC		4.5.1	"whichever is lower"	same comments as given above in row 14 and 15	Best Effort is not quantifiable. The objective of CEBECO II is to provide power to its member consumers at the least cost manner.
19	FDC-MPC			Line rental	For confirmation: Line rental shall be for the account of buyer/DU.	Considering that "The Delivery and Metering Point shall be at the connection of the DU to the Grid", then, Line Rental Charges shall be for the account of the Seller.

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MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
20	FDC-MPC				<p>17.2. Bidder shall be required to submit the following documents:</p> <ul style="list-style-type: none"> a. WESM Registration – Certified True Copy b. Certificate of Compliance (COC) issued by the ERC- In lieu of COC, <p>Bidders shall submit a certification issued by the ERC indicating the status of the Bidder's application.</p> <ul style="list-style-type: none"> c. Certificate of Endorsement from the DOE d. Copy of Fuel/Coal/Steam Sale Agreement e. Copy of Agreement for the Supply and Delivery of Goods/Fuel f. Certificate/Document stating the Consumption Rate of Fuel Used g. Company Profile Highlights and CV of Key Officers in Power Plant Operation h. Latest Generation Company Information Sheet (GCIS) submitted to the ERC i. Latest Generation Company Management Report (GCMR) submitted to the ERC j. Planned Preventive Maintenance Schedule for 2023 and 2024 k. Risk Mitigation Plan for 2023 and 2024 as mandated under RA10121 	<ul style="list-style-type: none"> 1. Endorsement from DOE is a requirement under the amended guidelines for the issuance of COC 2. Yes, redacted Copy of the Fuel Supply Agreement is acceptable
21	FDC-MPC				<p>From the Instruction to Bidders:</p> <p>16.10. Prompt Payment Discount. Bidders may provide discounts. However, this shall not be considered in the opening of the bid. Bidders shall use Bid Form PPD in for the Prompt Payment Discount, if applicable.</p>	

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

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No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
22	FDC-MPC				From the Invitation to Bid: Bidders shall submit the base prices of each Tariff Component, based on December 31, 2023 Indexes in the Financial Bid envelope taking into consideration the minimum requirements of the TOR. For purposes of the bid comparison, the rate, net of discount, if any, as offered by the bidders will be used by CEBECO II in its evaluation.	
23	FDC-MPC				Please inquire if they will accept other forms of bid security other than cash / manager's cheque. For example, standby letter of credit. For manager's cheque, please confirm if should be dated June 7, 2024 (their requirement is 180 days validity for the MC and MC has a validity of 6 months/180 days). We may not have control on this as this will be issued by the bank. Please confirm if value of the Bid Security may exceed the computed three months contract cost (reason: we may need to prepare this ahead of our computation for the final bid price)	Other forms are allowed under Section 8.2.9 of NEA CSP guidelines but Standby Letter of Credit is not among those listed. The Manager's Check shall be dated June 7, 2024 which corresponds to the date of Submission and Opening of Bids unless otherwise modified thru a Bid Bulletin. The amount of Bid Security should not be lower than the amount provided for under Section 8.2.9 of the NEA Guidelines, that is, "The amount must be equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder."
24	KSPC	TOR	Take-off Structure	The delivery and metering point shall be the connection point of the DU to the grid. The cost of connection point shall be borne by the Supplier.	Please confirm that the line rental shall be for the account of the supplier.	Confirm, Line Rental is to the account of the Supplier of the Winning Bidder
25	KSPC	Instructions to bidders	6.1	Bidders shall also provide the name of one (1) person as its authorized contact person/representative, together with the contact details in the conduct of pre-bidding conference.	We would like to seek for reconsideration to have at least three (3) authorized representatives for the entire CSP process being the customary number of representatives.	We shall modify Section 6.1 of the Instruction to Bidders to allow Three (3) Authorized Representatives for the Bidders

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

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No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
26	KSPC	Instructions to bidders	14.1.4.a	List of Projects undertaken in the last 10 years	Do you have a template for this requirement or are we allowed to use our own format/template? Kindly clarify on what does "Project" mean?	Provided in the ANNEX B-2, Technical Bid Form
27	KSPC	Instructions to bidders	14.1.4.b	List of electricity generation plants that the bidders operated in the last 5 years	Do you have template for this requirement or are we allowed to use our own format/template.	Provided in the ANNEX B-2, Technical Bid Form
28	KSPC	Instructions to bidders	14.1.4.c	Proof of/Documentation on track record for the last five (5) years of power plants operated by it.	Is the GCMR acceptable?	Yes, GCMR is acceptable
29	KSPC	Instructions to bidders	15.1	The bidder shall submit a bid security equivalent to 3-month contract cost...	How many days are we considering in a month, 30 or 31?	30 days for every month
30	KSPC	Instructions to bidders	15.2	The bid security shall be valid for a duration of 180days from the deadline of submission	Kindly provide exact expiration date of the 180-day bid validity	The Manager's Check shall be dated June 7, 2024 which corresponds to the date of Submission and Opening of Bids unless otherwise modified thru a Bid Bulletin.
31	KSPC	Instructions to bidders	16.1.1.	December 2023 US CPI	Which US CPI source should we use? (IMF, BLS, others)?	
32	KSPC	Instructions to bidders	16.2	Bidder shall be required to submit their bids both in hard and soft copies using the accomplished financial bid forms as preclude in AnnexB-1	Will there be a separate pre-bid conference on the filling-out of the financial bid form?	We shall discuss the Financial Bid Form after the Open Forum
33	KSPC	Instructions to bidders	16.5.1	The total amount for the CRF shall not exceed the rate approved by the ERC per technology.	Kindly provide us with such data/info.	Such information may only be available with ERC. Power rates under the PSA is subject to ERC approval
34	KSPC	Instructions to bidders	16.6.5.a	Bidders shall provide forecasted fuel cost, transportation cost	Please enlighten us on this provision. Is the forecasted numbers binding throughout the PSA or is this for evaluation purposes only?	This is for evaluation purposes only
35	KSPC	Instructions to bidders	16.6.5.a	Bidders must provide in a separate document, duly signed by its authorized representative, a narrative indicating the historical data used...	Is this a post-qualification requirement?	No, all bidders are required to submit. This is to verify the inputs in the Financial Bid Form
36	KSPC	Instructions to bidders	16.10	PPD/Discount	Please confirm that discount is not mandatory.	Discount is not mandatory, but will be used in determining the Lowest Calculated Bid
37	KSPC	Instructions to bidders	17.2.e	Copy of Agreement for the supply and delivery of goods/fuel	Would a fuel supply contract suffice?	Yes.
38	PCPC	TOR/ Power Purchase Agreement	Other Terms and Conditions/ Take- Off Structure	The cost of connection point shall be borne by the Supplier.	In the section 5.1 of the Power Purchase Agreement, it is mentioned that " Further, buyer shall bear all costs of such transmission service, from the Delivery Point up to the Receiving Point including the cost of any electric losses incurred in such transmission." May we ask if we will follow the Power Purchase agreement or the TOR?	We will follow the TOR. Appropriate changes will be reflected in the PSA
39	PCPC	TOR	Pricing Structure	Energy-based PSA	Is the schedule of delivery provided the guaranteed off-take of the buyer?	The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol.

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40	PCPC	TOR	Outage Allowances per plant	Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower.	Based on the ERC Resolution 16 of 2023 section 4.6 (Replacement Power) , the actual price of the Replacement Power; or the approved charge for the PSA, whichever is lower is only applicable to the following: 1. If the winning bidder was not able to provide supply from the specific plant type specifically granted in the Physical PSA. 2. If the Winning bidder was only to provide partial electricity 3. In case of outages that exceeded the authorized outage allowance. May we ask which document to follow for the outages which will be from same plant type, full capacity and within the authorized outage allowance.	It is clearly stated in Section 15.a that "(a) <i>If the Physical PSA provides that the supply requirement shall be originating from a specific plant type with a provisional or final generation rate granted specifically to such plant, <u>and the Winning Bidder was not able to provide supply from such plant type, the Winning Bidder shall be responsible for the provision of replacement power at the generation rate equivalent to the provisional or final approved generation rate for such plant type, or the actual rate of the replacement power, whichever is lower</u></i> ;
41	PCPC	Instruction to Bidders/ Annex B-1 Financial Bid Form	Definition of Terms	Lowest Calculated Bid (LCB) - refers to the Bid Proposal with the lowest Long- Term Levelized Price as determined and calculated based on the Evaluation Methodology set forth in Section 29 of this Instruction to Bidders.	In the Financial Bid Form, the Long- Term Levelized Price formula is cost of energy purchased of 10-Year Net Contract Cost over total kWh Purchased For 10-Year Contract Period. Is the formula in the Financial Bid Form final? or do we need to get the net present value of the cost of energy purchased over total kWh Purchased For 10-Year Contract Period	The Final Financial Bid Form is still subject to revisions and will be furnished to bidders in Final Instruction to bidders
42	PCPC	Instruction to Bidders	Financial Proposal	Bidder's bid price shall not be greater than the overall Electricity Fee (EF) cap of Php 5.30 per kwh excluding line Rental.	Is the P5.3/kWh price final? Conditions are different last December	The CEBECO II finds that the December 2023 Billing is relevant as basis for the rate evaluation.
43	PCPC	Instruction to Bidders	Financial Proposal	The Fixed Operations and Maintenance, Php/kWh shall be entered/encoded on Column D23 to Column D142 of the "OVER ALL BID OFFER" excel sheet.	Is there escalation with certain indices allowed in the Fixed Operations and Maintenance?	No. Only the VOMe and Fuel prices are subject to escalation
44	PCPC	Instruction to Bidders	Financial Proposal	The Variable Operations and Maintenance, Php/kWh shall be entered/encoded on Column E23 to Column E142 of the "OVER ALL BID OFFER" excel sheet.	Is there escalation with certain indices allowed in the Variable Operations and Maintenance?	yes. Only Philippine CPI
45	PCPC	Instruction to Bidders	Financial Proposal/ Fuel Fee	The Fuel Fee shall be based on actual cost and shall be adjusted monthly.	Can we include discount on the Fuel Fee?	Yes. We accept other forms of discounts as long as declared by the Bidder in its Bid Offer as unconditional
46	PCPC	Instruction to Bidders	Financial Proposal/ Financial Bid Form	For the first month of the first year: a. Bidder shall use the 26 November 2023 to 25 December 2023 period as basis for the amount paid for the Fuel Cost (Column C), the Transportation Cost (Column D), and for the Imports, Duties and Taxes Cost (Column F). It shall also reflect the Php to USD Exchange Rate used for the month.	Since we will use the actual USD to Php in December 2023, can we adjust the formula of the locked Cell E22 in the Financial Bid Form?	Cell E22 was based on the December 31, 2023 US exchanged rate but may be updated to December 31, 2025 but all the cells in E22 down to E141 shall still be locked
47	PCPC	Instruction to Bidders	Financial Proposal/ Financial Bid Form	For the succeeding months after the first month of the first year: a. Bidders shall provide forecasted monthly Fuel Cost, Transportation Cost, the Imports, Duties and Taxes Cost, and the Consumption Rate.	Since the CPI are all provided in the Financial Form, do we not need to forecast CPI?	For evaluation purposes, the Bidders shall use the same indexes to for all periods to have a comparative result
48	PCPC	Instruction to Bidders	Financial Proposal/ Financial Bid Form	For the succeeding months after the first month of the first year: c. Bidders shall use Php55.40 =1USD (December 29, 2023) for the succeeding months for the Foreign Exchange Rate.	Does this fix the USD conversion rate to 55.4P/USD throughout the life of the contract? if yes, that conflicts to the principle of complete fuel pass through	For evaluation purposes, the Bidders shall use the same indexes for all periods to have a comparative result
49	MPI	Instruction to Bidders	6.4	"xxx It shall be the responsibility of all Bidders who have properly secured the Bidding Documents to inquire about and secure Bid Bulletins that may be issued by CEBECO II TPBAC."	We believe that it should be the responsibility of CEBECO II's TPBAC to inform and send Bid Bulletins to all Bidders who have properly secured Bid Bulletins. Said Bidders do not have to inquire about, moreso, to secure Bid Bulletins that may be issued by CEBECO II TPBAC.	CEBECO II TPBAC will send bid bulletins to all bidders and publish/post all bid bulletins as mandated by the ERC Resolution 16, 2023. It for the Prospective Bidder to keep posted on those updates
50	MPI	Instruction to Bidders	16.5.1	The total amount for the CRF shall not exceed the rate approved by ERC per technology.	This should be deleted considering that the ERC-approved rate per technology applies to EPSAs and not to regular PSA resulting from the conduct of CSPs.	Power rates indicated in the PSA is still subject to ERC approval

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51	MPI	Instruction to Bidders	17.3	Bidders shall also provide the information required as found in AnnexB-2: (a) - (c.) and all other requirements under 17.3 pertaining to other power plants outside the nominated plant of the Bidder.	Information should be limited to "nominated plant" and not cover all other power plants within the portfolio of the Bidder as the same are irrelevant.	We will only require the nominated plant
52	MPI	Instruction to Bidders	4.1 Transaction Schedule	Issuance of Notice of Award - July 1,2024 Execution/Approval of the Contract - July 15,2024	1) Does this mean Notice to Execute the PSA should be released by July 12,2024? 2) What if the Notice to Execute is released earlier or on a much later date, does that mean that the Execution Date should still be within 3 days from such earlier date whether such date is earlier or later than July 12,2024?	Section 8.3.4 of the 2023 NEA CSP Guidelines provides, within 3 calendar days from the receipt of the NEA's Notice to Execute the Agreement, the winning bidder and the EC shall execute and sign the PSA as approved by the NEA
53	MPI	Instruction to Bidders	35.1 Signing of the PSA	"xxx within 3 calendar days after the receipt of the Notice to Execute the Agreement."		
54	MPI	Power Supply Agreement	General Comment		Can both parties have an opportunity to further negotiate the terms and conditions of the PSA before its execution?	8.3.1 of the 2023 NEA CSP Guidelines, allows the EC and the winning bidders, within 10 calendar, to finalize the PSA and may agree on changes that must clearly result to terms more favorable to the EC's MCOs.
55	CEDC	Instruction to Bidders	Bid Security 15.1	The bidder shall submit a bid security equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder in the form of Cash or cashier's/manager's check issued by a universal or commercial bank or any other bank certified by Banko Sentral ng Pilipinas and shall be issued in favor of Cebu II Electric Cooperative, Inc. or CEBECO II.	For clarity, how many calendar days should the bidder consider for 1month? Would a Stand-by Letter of Credit (SBLC) issued by a commercial bank be acceptable?	30 days Different forms of Bid Security as allowed under Annex B Section 10 of ERC Resolution 16 s. 2023 and Section 8.2.9 of NEA CSP guidelines which are as follows: a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument; b. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank; or c. In case the Bid Security is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.
56	CEDC	Instruction to Bidders	Bid Security 15.2	The bid Security shall be valid for duration of 180 days from deadline of submission/opening of bids.	Is this the minimum validity of the bid security?	Yes, Bid Security shall be valid for 180 days from Deadline of Submission/Opening of Bids
57	CEDC	Instruction to Bidders	Financial Proposal 16.5.1	The total amount for the CRF shall not exceed the rate approved by ERC per technology.	For TPBAC's clarification, would there be a separate cap for the CRF? Or has this already been considered in the Bid Price cap of 5.30 P/kWh excluding Line Rental as stated in ITB 16.1	No cap is set for CRF. The Ceiling Price/Bid Cap is inclusive of all tariff components including Fuel Cost but excluding VAT and any penalties and/or discounts to be implemented for the duration of the contract period
58	CEDC	Instruction to Bidders	Financial Proposal 16.5.2	The Capital Recovery Fee (CRF), Php/kWh shall be fixed for the whole duration of the contract. The Bidder shall enter/encode the monthly CRF on Column C23 to C142 of the "OVER ALL BID OFFER" excel sheet.	Considering that the CRF shall be fixed for the whole duration of the contract, may we suggest that the bidder may only input one value for the CRF instead of a monthly CRF.	Please input the necessary values. All bid figures must be explicitly reflected per month
59	CEDC	Instruction to Bidders	Financial Proposal 16.5.3	The Fixed Operations and Maintenance, Php/kWh shall be entered/encoded on Column D23 to Column D142 of the "OVER ALL BID OFFER" excel sheet.	Considering that the FOM shall be fixed for the whole duration of the contract, may we suggest that the bidder may only input one value for the FOM instead of a monthly FOM.	Please input the necessary values. All bid figures must be explicitly reflected per month
60	CEDC	Instruction to Bidders	Financial Proposal 16.5.4	The Variable Operations and Maintenance, Php/kWh shall be entered/encoded on Column E23 to Column E142 of the "OVER ALL BID OFFER" excel sheet.	Considering that the VOM will already be escalated to PH CPI in the Bid Form Formula, may we suggest that the bidder may only input one value for the VOM instead of a monthly VOM.	Please input the necessary values. All bid figures must be explicitly reflected per month

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61	CEDC	Instruction to Bidders	Financial Proposal 16.6.5 a	Bidders shall provide forecasted monthly Fuel Cost, Transportation Cost, the Imports, Duties and Taxes Cost, and the Consumption Rate.	For TPBAC's clarification that the Fuel Fee will be the actual cost during the PSA implementation and will not be capped at the forecasted fuel rates submitted for the bid.	The Fuel Rates in the Financial Proposal shall be used to determine the Bid Price. Fuel Fee shall be the Actual Cost upon PSA implementation subject to ERC approval.
62	CEDC	Instruction to Bidders	Financial Proposal 16.10	Prompt Payment Discount. Bidders may provide discounts. However, this shall not be considered in the opening of the bid. Bidders shall use Bid Form PPD in for the Prompt Payment Discount, if applicable.	For clarity, kindly confirm that the PPD shall not be part of the Bid Evaluation or the computation of Long-Term Levelized Price.	PPD shall not be part of the Bid Price but will be considered in the determination of the Lowest Calculated Bid
63	CEDC	Instruction to Bidders	Performance Security 34.2 a	Cash or Cashier's/Manager's check issued by a Universal or Commercial Bank in the amount equivalent to three (3)-month Contract Cost of the proposed power supply agreement computed using the bid price offered by the winning bidders.	For clarity, how many calendar days should the bidder consider for 1month? Would a Stand-by Letter of Credit (SBLC) issued by a commercial bank be acceptable?	30 days SBLC is not acceptable. Please refer to Item 60
64	CEDC	Financial Bid Form	Overall Bid Offer	Column L - Billing Determinant	May we know the rationale why this column is editable?	This will be locked.
65	CEDC	Draft PSA	Supply of Energy 4.4 Scheduled and Unscheduled Outages	4.4.1 At least thirty (30) Days prior to the Scheduled Commercial Operations Date, the Seller shall submit to the Buyer...	May we clarify the definition of Scheduled Commercial Operations Date?	The Scheduled Commercial Operation Date referred to in this particular provision is the Target Delivery Date of July 26, 2024 as reflected in the TOR
66	CEDC	Draft PSA	Supply of Energy 4.5 Replacement Power	4.5.2 The procurement of any Replacement Power within and/or beyond the Allowed Outage shall be the responsibility of the Seller.	For TPBAC's consideration that the Bidder/Seller will not be obliged to provide replacement power within the Allowed Outage. The Seller may, however, offer to provide RP.	CEBECO II requires a guaranteed supply of power even during events of plant outages of the Seller
67	CEDC	Draft PSA	Compensation, Payment and Billing 5.3 Prompt Payment Discount	The Seller shall extend ____ percent (%) discount based on the non-fuel fee (sum of Capital Recovery Fee, Fixed O & M Fee and Variable O&M Fee, if applicable) to Buyer as prompt payment if 1) payment is made within ten (10) Days from receipt of Seller's billing, and 2) buyer is up to date with all its payment obligations under this Agreement.	Are bidders required to offer PPD? If so, what is the minimum PPD that the bidder may offer?	PPD is not mandatory. However, Bidders may opt to offer PPD but it should not be less than 1% of the CRF for it to be considered in the determination of the Lowest Calculated Bid.
68	CEDC	Draft PSA	Force Majeure		May we suggest to include events under Force Majeure which are outside the control of both buyer and seller such as: (1) Transmission Line Failure or Constraint (2) Market Intervention (3) Capacity Curtailment	This may be discussed between the CEBECO II and the winning bidder during the finalization of the PSA
69	CEDC	Annex B-2 Technical Proposal	TD14.2.2c	Scheduled and Unscheduled Outage per Customer	Does this pertain to the number and average duration declared to each customer? For TPBAC's consideration to omit the scheduled and unscheduled outage per customer due to confidentiality. The Winning Bidder/Seller will be required to provide replacement power, and the historical outages per customer should not affect the PSA with CEBECO II.	Yes. The scheduled and unscheduled outages will be omitted but the prospective bidder will have to provide the total outages
70	CEDC	Annex B-2 Technical Proposal	TD14.2.2f-g	f. Fuel Source Details g. Power Purchase Agreement	Due to confidentiality, may the Bidder submit a sworn statement ensuring that the Supplier will be responsible in ensuring sufficient fuel supply for the entire contract term?	Bidder may submit a redacted copy of the agreements relative to the supply of fuel
71	CEDC	Annex B-2 Technical Proposal	TD14.2.2h-j	h. Operational and Maintenance Strategies i. Upgrades and Modernization Initiatives j. Community and social initiatives	Please clarify what data are required for these requirements	These data are optional
72	CEDC	Annex B-2 Technical Proposal	TD14.2.2l	Add-On Service Offer	Are bidders required to offer Add-on service?	This is optional
73	CEDC	Annex B-2 Technical Proposal	TD14.2.2m	Power Plants Alternative Source Supply	For TPBAC's clarification if this pertains to the source for replacement power?	This is optional

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74	GNPK	TOR	Target Delivery Date	07/26/2024 Conditions Precedent to Start of Supply: a. ERC approval of PSA. and, b. Upon expiration of the EPSA on July 25, 2024	We would appreciate clarification on how these terms are affected by the issuance of regulatory approvals. If a regulatory approval process extends beyond the initial contract term, would the end date be adjusted to reflect the actual commencement of supply, ensuring that the full contract term is fulfilled?	The contract will commence upon satisfaction of the conditions precedent and shall be effective for a period of 10 years or as allowed by ERC.
75	GNPK	TOR	For Energy-based PSA		The TOR mentions a 100% Schedule of Delivery. We kindly request CEBECO II to elaborate on the specific details of this requirement. For instance, are there any expected variations or tolerance associated with the baseload delivery?	The TOR provides: "The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol."
76	GNPK	TOR	Outage Allowances per plant	Bidders shall submit their annual nomination of scheduled and unscheduled outages not exceeding 30 days per year. Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower.	Will the basis of counting outages be based on the Seller's non declaration of BCQ for the relevant trading day/s?	Yes. Non declaration of BCQ will result to counting outages. Further, sourcing of Replacement Power will be the responsibility of the winning bidder.
77	GNPK	TOR	Force Majeure		Please confirm that this provision may be further negotiated/improved during PSA negotiation.	This may be discussed between the CEBECO II and the winning bidder during the finalization of the PSA
78	GNPK	TOR	Replacement Power	Likewise, in any of the following cases, the Winning Bidder shall source and provide replacement power:		Yes. To reiterate, the Winning Bidder shall source and provide replacement power:
79	GNPK	TOR	Reduction of Contract Capacity and/or Contract Energy	<ul style="list-style-type: none"> •The reduction of contract capacity shall be allowed in case of: a) Loss of captive customers due to Retail competition and Open Access and Green Energy Option Program b) Reduction of demand of the DU due to special circumstances beyond the control of the DU. •Customer may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract it no longer requires to: a) Any of its business segment without the prior consent of Power Supplier; or b) Any affiliate or third party subject to the consent of Power Supplier •The consent by the Power Supplier shall not be unreasonably delayed or conditions at the disadvantage of the DU •Any reduction shall require approval of the ERC and must comply with applicable rules of the competition set by the Government. 	<p>We respectfully suggest having CEBECO II consider a Pro-Rated Reduction Across Suppliers. In the event of a capacity reduction due to loss of captive customers, the reduction must be applied proportionally across all suppliers with similar contracts.</p> <p>"On the following statement that the Customer may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract it no longer requires".....</p> <p>We respectfully propose the following revisions to the assignment clause:</p> <p>a) Prior Consent for Affiliate Assignments: For assignments to CEBECO II affiliates, we recommend that CEBECO II obtain the Supplier's prior written consent.</p> <p>b) Joint and Several Liability: We propose that both CEBECO II (as the original customer) and the receiving affiliate (third party) remain jointly and severally liable for all obligations under the Contract.</p>	1. This will be revised to conform with the standard provision for Reduction of Contract Capacity and/or Contract Energy of ERC Resolution 16 s.2023. Such same provision is indicated in Section 4.3 of the draft PSA template.

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80	GNPK	TOR	Other Terms and Conditions	b)The Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and the DU should not be made to shoulder the incremental difference.	<p>Please confirm our understanding that this does not preclude the bidder from filing a motion for reconsideration before the ERC (with the Buyer's participation and cooperation) in case of a downward rate adjustment.</p> <p>We respectfully appeal that CEBECO II extend some consideration by agreeing to at least support the Seller by issuing a manifestation/affidavit declaring the CSP as successful and that the Winning Bidder's offer was determined to be the least cost having undergone a sophisticated evaluation process. Alternatively, we propose that the Seller shall be allowed to negotiate the termination period of the PSA, Contracted Capacity level, and/or defer any deliveries of supply in view of a rate reduction determined by the ERC.</p>	This may be discussed between the CEBECO II and the winning bidder during the finalization of the PSA
81	GNPK	TOR		•Take-Off Structure The delivery and metering point shall be at the connection point of the DU to the Grid. The cost of connection point shall be borne by the Supplier.	To ensure a comprehensive understanding of the take-off structure, could you please elaborate on what is/are included in the "cost of connection point" that the Supplier is responsible for?	The delivery point is the connection point of CEBECO II to the grid. Therefore, Line Rental is for the account of the Seller.
82	GNPK	ITB		Scheduled Outage - refers to the outage of the plant generating units and equipment planned by the POWER SUPPLIER for preventive maintenance as approved by the System Operator prior to the Operating Year in accordance with the PSA. (For the purpose of this Transaction, the power supplier shall be liable for the replacement power whether scheduled or unscheduled)	Will the basis of counting outages be based on the Seller's non declaration of BCQ for the relevant trading day/s?	Yes. Non declaration of BCQ will result to counting outages. Further, sourcing of Replacement Power will be the responsibility of the winning bidder.
83	GNPK	ITB	4/ GENERAL	.Transaction Schedule 4.1.The Competitive Selection Process (CSP) for the 12MW Baseload requirement if CEBECO II shall follow the schedule as listed in Table1. Upon due notice to the participants, the TPBAC reserves the right to amend any of these schedules. Table 1. Transaction Schedule	we would like to confirm if timeline for post qualification and evaluation is sufficient for a thorough evaluation process.	4.1.The Competitive Selection Process (CSP) for the 12MW Baseload requirement if CEBECO II shall follow the schedule as listed in Table1. Upon due notice to the participants, the TPBAC reserves the right to amend any of these schedules.
84	GNPK	ITB	6/ GENERAL	6.1.clarification(s) pertaining to any part of the Bidding Documents. These shall be made using the Matrix of Comments template provided in Annex D-7 and which shall be sent to cebeco2.tpbac@gmail.com using the Bidders who purchased the Bidding Documents may request authorized email address registered by the Bidder. The deadline for submission of queries shall be on April 19, 2024 at 12 midnight. Bidders shall also provide the name of one (1) person as its authorized contact person/representative, together with contact details in the conduct of the Pre-bidding and Bidding Conference. The representative should be properly authorized by attaching therein the Notarized Board Resolution or Secretary's Certificate designating him/her as the Authorized Representative signifying therein his authorities.	We would be grateful if CEBECO II would consider allowing bidders to designate more than one authorized representative as a point of contact. This would ensure consistent and timely communication throughout the bidding process.	We shall modify Section 6.1 of the Instruction to Bidders to allow Three (3) Authorized Representatives for the Bidders
85	GNPK	ITB		6.2.Bidders are prohibited to contact any member of the CEBECO II TPBAC and TPBAC-TWG for clarifications and amendments. All questions shall be directed to the CEBECO II TPBAC Secretariat only through email: cebeco2.tpbac@gmail.com.	To facilitate efficient communication and timely resolution of inquiries, we respectfully request CEBECO II to consider allowing bidders to contact the BAC Secretariate via email, phone calls, viber and SMS for matters related to this bidding process. This would provide bidders with a flexible and accessible means of obtaining clarification throughout the bidding procedures	All communications including inquiries shall be made in writing and may be emailed thru cebeco2.tpbac@gmail.com

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No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
86	GNPK	ITB	7/ GENERAL	On the day of the Pre-Bid Conference, the CEBECO II TPBAC will provide the answers to the queries submitted through the Matrix of Comments. Bidders, through their authorized contact person/representative, are allowed up to three (3) follow-up questions only. No new queries will be entertained after the Pre-bid conference.	<p>We would appreciate clarification regarding the opportunity to raise questions during the pre-bid conference. The Invitation to Bid specifies a deadline for submitting written comments beforehand. We kindly inquire if bidders are still permitted to raise relevant questions during the conference itself, in case additional clarifications arise.</p> <p>Kindly also clarify whether questions raised, and answers provided during the Pre-Bid Conference are considered official</p>	Bidders may raise questions during the open forum in the prebid conference to a maximum of 3 questions in the interest of time. However, the bidders may still submit ADDITIONAL/ NEW queries thru email until May 8, 2024. In addition, answers raised and answered during the pre bid conference will be put in writing in the form of bid bulletin. Bid bulletins issued are considered official.
87	GNPK	ITB	8.1	<p>The following entities are eligible to participate in the bidding:</p> <p>a. Duly Licensed Filipino citizen for sole proprietorship;</p> <p>b. Partnership duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizen of the Philippines;</p> <p>c. Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;</p> <p>d. Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) belongs to citizens of the Philippines; or</p> <p>e. Joint Ventures and Consortium duly organized under the laws of the Philippines, and of which at least sixty (60%) of the interest belongs to citizens of the Philippines provided they have submitted a duly notarized Joint Venture Agreement with a Board Resolution of party's Mother Company guaranteeing its full support to the JV and clearly stating the level of participation of partners/parties in case they win the bidding and formalize the JV or a Project Company.</p>	<p>As to CEBECO II's requirement under Section C.8.1. Bidder's Eligibility, Responsibilities and Disqualification, it is our opinion that the requirement is unwarranted and discriminatory to power generators with foreign investments.</p> <p>We note that under the Twelfth Regular Foreign Investment Negative List, power generation and the supply of electricity is excluded from the 40% foreign equity limitation for operation of public utilities.</p> <p>Further, Section 6 of RA 9136 provides that power generation is not a public utility operation.</p> <p>SEC. 6. Generation Sector. "xxx Any law to the contrary notwithstanding, power generation shall not be considered a public utility operation. For this purpose, any person or entity engaged or which shall engage in power generation and supply of electricity shall not be required to secure a national franchise. xxx"</p> <p>With the foregoing, the nationality test should be removed as a qualification for bidder's eligibility in order to make the bidding more competitive by allowing all power generators, irrespective of their nationality, to join the bid subject to meeting the other eligibility requirements.</p>	With the recent amendment to the relative laws RA 11659 and RA 11647, which was effective April 1, 2023, allows 100% ownership by Foreigners. This will be considered as amendment in the ITB
88	GNPK	ITB	8.3 BIDDERS ELIGIBILITY AND RESPONSIBILITY	Bidder's technical staff and key officers must have at least five (5) years of experience on power plant operations in the Philippines or any other country regardless of technology.	Does this criterion apply to existing power plants that have been operational for more than five years? We kindly request clarification to ensure a proper understanding of the eligibility requirements.	Yes. This criterion applies to existing power plants that have been in operations for more than five years.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPOSER	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
89	GNPK	ITB	8.5	8.5 Bidders must have a debt ratio not exceeding 50% as reflected in the 2022 Audited Financial Statements.	<p>We would like to confirm the rationale for having the debt ratio set at that value.</p> <p>Please note that even in the DOE's Energy Investor's Guidebook, such a ratio is not identified. As such, the generation companies are allowed to submit other related documents to support their financial capability and/or stability. We would like to emphasize that GNPK is already commercially operational with long-term bilateral contracts with several electric cooperatives in the country.</p> <p>We wish to note that the 70:30 debt-to-equity ratio is widely accepted in the power industry as well as by government agencies such as the Board of Investment as the debt ratio is primarily driven by the project financing and investment requirements in order to carry out its successful implementation.</p> <p>In view of this, we respectfully request CEBECO II to allow a debt ratio of up to 0.70 for power plants that are already commercially operational or alternatively, reconsider this requirement to open the competition to new players.</p>	The debt ratio is valuable for evaluating a company's financial structure and risk profile. We will still consider Bidders with above 50% Debt Ratio. But this will be considered in the evaluation.
90	GNPK	ITB	14/PREPARATION OF BIDS	14.1.1 Executive Summary-Brief description of the Bidder's company history and structure, including relevant capabilities in the construction, operation, and maintenance of a power plant or in the supply of electricity to the DUs, ECs, or contestable customers	Are bidders allowed to use their own format for this requirement?	Yes. The Bidders are allowed to use their own format provided that salient information (those enumerated in 14.1.1) deemed necessary in the TPBAC post qualification are being completely reflected.
91	GNPK	ITB	14/PREPARATION OF BIDS	14.1.2 Organizational Structure Basic information of the Bidder's legal status and organizational chart	Please confirm what specific document are you requiring the bidders to submit pertaining to the "Bidder's legal status?"	Please provide us the latest organizational chart. For other legal documents, please continue referring to 14.1.3.
92	GNPK	ITB	14/PREPARATION OF BIDS	14.1.3. Verified Certification showing list of Board of Director and Board Members of the Ultimate Parent Company, its Subsidiaries, and all its affiliates.	Can we use our own template for this? Will a company profile suffice?	Yes. The Bidders may use their own template so long as the same contains all the requirements stated in 14.1.3 from a to l.

**CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)
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93	GNPK	ITB	14/PREPARATION OF BIDS	14.1.3.d Shareholder's Agreement/ Latest GIS	For bidders that do not have a GIS considering they are a Partnership, please confirm that they are no longer required to submit any alternative document.	In lieu of the GIS, please provide us the latest articles of partnership.
94	GNPK	ITB	14/PREPARATION OF BIDS	14.1.3.h-ii Documentary proof of Bidder's Compliance with tax obligations such as: i. BIR VAT Registration ii. Proof of VAT payments for the past six (6) months iii. Tax Clearance from the BIR to prove bidder's full and timely payment of taxes to the government	For item h-ii, we wish to highlight that monthly filing of VAT return is no longer a requirement as per Republic Act 10963, and BIR Revenue Memorandum Circular 52-2023. Thus, we can only submit quarterly VAT filing, particularly the BIR Form No. 2550-Q. Please confirm that this is acceptable.	Please provide us the (1) proof of VAT payments for the 4th quarter of 2023 and the 1st quarter of 2024 (2) including the VAT returns.
95	GNPK	ITB	14/PREPARATION OF BIDS	14.1.5 Financial Information	Are existing power plants still required to provide the requirements set forth in items b-f? Or are these only applicable to new plants or those that are in the construction stage?	Yes. This requirement applies to all bidders.
96	GNPK	ITB	15/ BID SECURITY	15.1.The bidder shall submit a bid security equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder in the form of Cash or cashier's/manager's check issued by a universal or commercial bank or any other bank certified by Banko Sentral ng Pilipinas and shall be issued in favor of Cebu II Electric Cooperative, Inc. or CEBECO II	<p>We respectfully request CEBECO II to reconsider indicating a nominal fixed amount for the bid security. Aside from the significant amount to be posted, it should also be considered that bid security is contingent to the bid price. Hence, it takes time to come up with the best and most competitive offer, bidders will have limited time to secure the bid security.</p> <p>Furthermore, we appeal to CEBECO II to reduce the bid security requirement to encourage more bidders to compete and submit a competitive bid. Relaxing this requirement shall be at CEBECO II's advantage as more competition provides more opportunity for CEBECO II to obtain the least cost of power supply for their consumers. It is worth noting that in the recent CSP of Meralco for its peaking supply, which resulted in a failure of bidding, the bid security is the reason of one of the bidders that withdrew participation in the CSP.</p> <p>If CEBECO II insists on the provision in section 15.1, as an alternative, can we base the bid security on the ceiling price?</p> <p>Will CEBECO II be issuing a template for the bid security computation?</p>	We shall rephrase Section 15.1 of the Instruction to Bidders to insert the phrase "not less than or equivalent to three (3) month /(90 days)"and indicate the different forms of Bid Security as allowed under Annex B Section 10 of ERC Resolution 16 s. 2023 and Section 8.2.9 of NEA CSP guidelines which are as follows: a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument; b. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank; or c. In case the Bid Security is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.
97	GNPK	ITB		15.2.The Bid Security shall guarantee that each Bidder complies with its obligation under the bidding procedures during the Bid Validity or any extension thereof. Inability or Failure of the Winning Bidder to accept the award or enter into contract with the DU and all cases provided in Section 15.5 of this Instruction to Bidders. The bid Security shall be valid for duration of 180 days from deadline of submission/opening of bids.	Could you kindly confirm the commencement of the validity period for the security deposit, commencing on June 7, 2024, and extending through to December 03, 2024?	The Manager's Check shall be dated June 7, 2024 which corresponds to the date of Submission and Opening of Bids unless otherwise modified thru a Bid Bulletin.
98	GNPK	ITB	16/ FINANCIAL PROPOSAL	CEBECO II shall enter a PSA with the Winning Bidder with the following price structure: Electricity Fee (EF) = Capital Recovery Fee (CRF) + Fixed Operation & Maintenance Fee (FOM) + Variable Operation & Maintenance (VOM) + Fuel Fee (FF)	<p>While we note that the Capital Recovery Fee (CRF) should be fixed in PhP/kWh, we would like to appeal to be allowed to incorporate foreign components to the CRF and FOM in view of new and big power projects require foreign-manufactured equipment paid in foreign funding/currency.</p> <p>Forcing the generator to fix the said foreign denominated costs in PHP diminishes its competitiveness as it has to add rate premiums to cover for any risk foreign exchange rate fluctuations during the term of 10 years.</p> <p>Lastly, please confirm that the Line Rental and Transmission charges are for the account of CEBECO II.</p>	CRF and FOM shall be fixed for the entire duration of the contract. Further, the Line Rental is for the account of the winning bidder. Transmission charges billed to generation companies shall not form part of this CSP.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
99	GNPK	ITB		16.1.Bidder's bid price shall not be greater than the overall Electricity Fee (EF) cap of Php 5.30 per kwh excluding line Rental. Bid offers which are more than the bid cap shall be automatically rejected.	Please confirm the basis of the price cap of Php 5.3/kWh? is it inclusive of Value Added Tax (VAT)? Kindly confirm if the "bid price" shall be the Electricity Fee for the first month, at 100% CUF and average EF (Nov and Dec BP)	The price cap is composed of CRF, FOM, VOM and Fuel Fee. VAT is not included. In addition, the Php 5.3/kWh shall become the base price cap for the first month of the first year.
100	GNPK	ITB		16.5.1The total amount for the CRF shall not exceed the rate approved by ERC per technology.	We kindly inquire if, for the nominated plant, the CRF should also be considered in relation to the latest ERC-approved rate/s within existing offtake agreements for the same plant. If so, this additional criterion would allow bidders to submit even more competitive offers that align with market benchmarks.	No cap is set for CRF. The Ceiling Price/Bid Cap is inclusive of all tariff components including Fuel Cost but excluding VAT and any penalties and/or discounts to be implemented for the duration of the contract period
101	GNPK	ITB		16.5.2The Capital Recovery Fee (CRF), Php/kWh shall be fixed for the whole duration of the contract. The Bidder shall enter/encode the monthly CRF on Column C23 to C142 of the "OVER ALL BID OFFER" excel sheet	While we note that the Capital Recovery Fee (CRF) should be fixed in Php/kWh, we would like to appeal to be allowed to incorporate foreign components to the CRF and FOM in view of new and big power projects require foreign-manufactured equipment paid in foreign funding/currency. Forcing the generator to fix the said foreign denominated costs in PHP diminishes its competitiveness as it has to add rate premiums to cover for any risk foreign exchange rate fluctuations during the term of 10 years.	CRF and FOM shall be fixed for the entire duration of the contract. Further, the Line Rental is for the account of the winning bidder. Transmission charges billed to generation companies shall not form part of this CSP.
102	GNPK	ITB		16.6.5For the succeeding months after the first month of the first year: a.Bidders shall provide forecasted monthly Fuel Cost, Transportation Cost, the Imports, Duties and Taxes Cost, and the Consumption Rate. b.Bidder must provide in a separate document, duly signed by its authorized representative, a narrative indicating the historical data used, cost drivers, trends, forecasting model and validity tests used in determining the values for the forecasted Fuel Fee components. c.Bidders shall use Php55.40 =1USD (December 29, 2023) for the succeeding months for the Foreign Exchange Rate	suggested to have a uniform escalation rate for the evaluation instead of having a forecasted fuel cost for the succeeding months	Yes, we will provide a uniform escalation rate for the fuel using the PH CPI.
103	GNPK	ITB		16.10.Prompt Payment Discount. Bidders may provide discounts. However, this shall not be considered in the opening of the bid. Bidders shall use Bid Form PPD in for the Prompt Payment Discount, if applicable.	We would be grateful if you could clarify the treatment of Prompt Payment Discounts (PPD) within the bidding process. The bidding documents state that bidders may offer PPDs, but these are not considered during bid opening. We kindly request confirmation on whether PPDs will be factored into the evaluation of the Lowest Calculated Responsive Bid (LCRB). Additionally, while the use of Bid Form PPD is indicated for applicable discounts, we would appreciate clarification on whether including a PPD value in the form, even if not mandatory, would be considered during the evaluation process.	1. The PPD and other discounts shall not form part of the Bid Price as provided in the TOR. However, such will be considered in the determination of the Lowest Calculated Bid 2. Yes. Other forms of discount are accepted as long as declared by the Bidder in its Bid Offer as unconditional
104	GNPK	ITB	17.2	d. Copy of Fuel/Coal/Steam Sale Agreement e. Copy of Agreement for the Supply and Delivery of Goods/Fuel f. Certificate/Document stating the Consumption Rate of Fuel Used	Can we submit redacted copies for items d-f?	Yes redacted copies for items d-f of ITB 17.2 are acceptable.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)
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105	GNPK	ITB	20.1	The Bidder shall provide three (3) copies of the Bid, one (1) original and two (2) photocopies. The Bid shall be printed in black indelible ink. In the event of any discrepancy between the original and the copies, the original shall prevail.	For the Original submission, please confirm Certified True Copy (CTC) is acceptable. We note that only Representatives authorized by the management to certify the documents in accordance with the Secretary's Certificate submitted by the bidder is allowed to certify the documents.	Yes Certified True Copy is acceptable, except for annexes D1-D6 requiring original copies.
106	GNPK	ITB	34	Performance Security 34.1. To guarantee the faithful performance by the Winning Bidder of its obligations under the PSA, it shall post a Performance Security within ten (10) calendar days from the execution of the contract. Non-posting of the performance security/bond after the signing of the PSA will be ground for the forfeiture of the bid security.	While we understand that the imposition of the Performance Bond and the corresponding amount is based on the ERC CSP Guidelines, we would like to appeal that the Performance Bond only be required for posting after the ERC approval of the power supply agreement (PSA) is obtained and not as early as 10 days upon signing the PSA. Given its significant amount and the prescribed timing of posting, the Winning Bidder's fund may be trapped for an undetermined period until such time that the PSA application obtains approval. Please note that this may hamper the Winning Bidder's financial operations. Should CEBECO II be firm on the timeline as indicated in the ITB, we further propose, to have mutual protection for both the Buyer and the Seller, that CEBECO II extend the same consideration to the Seller and also provide a 3-month security deposit to the Seller. This in turn will protect both Parties in the event of failure to supply or pay.	Section 8.4.1 of the NEA MEMO 57 S2023 . Posting of Performance Bond. – Within ten (10) calendar days from the execution of the contract, the Winning Bidder shall post a Performance Bond equivalent to the three (3)-month contract cost 10 of the proposed PSA computed using the bid price offered by the Winning Bidder. Failure to post the required Performance Bond within the prescribed period will result in the forfeiture of the Bid Security.
107	GNPK	PSA	3/ TERM	3.3Delivery Date The Seller shall commence delivery of Contract Capacity to Buyer on Delivery Date. The Delivery Date shall be on July 26, 2024 or after satisfaction of the following conditions precedent: 1.Date of issuance by the ERC of a Provisional Authority or Final Approval of the Agreement, whichever comes first, and; 2.Upon expiration of the EPSA on July 25, 2024.	Please confirm the possibility of the contract extension (late approval of ERC)	The contract will commence upon satisfaction of the conditions precedent and shall be effective for a period of 10 years or as allowed by ERC.
108	GNPK	PSA	4/SUPPLY OF ENERGY	Scheduled and Unscheduled Outages	Please confirm if CEBECO is open to discussing potential amendments or adjustments to the provision	Please provide the specific provisions of the scheduled and unscheduled outages you believe need potential amendments or adjustments. This matter is up for discussion between the CEBECO II and the Winning Bidder.
109	GNPK	PSA		4.4.3The Seller is allowed a maximum of thirty (30) days for Scheduled and/or Unscheduled Outages for each Contract Year, and according to the thin Schedule for the asset (for scheduled), during which times reduced or no deliveries will be available to the Buyer, subject to ERC rules and regulations on Reliability Performance Indices.	Please confirm if there is a specific number of scheduled and unscheduled outages equivalent to 30 days? Will the basis of counting outages be based on the Seller's non declaration of BCQ for the relevant trading day/s?	Yes. Non declaration of BCQ will result to counting outages. Further, sourcing of Replacement Power will be the responsibility of the winning bidder.
110	GNPK	PSA	SCHEDULE 2	CONTRACT CAPACITY AND CONTRACT ENERGY	Please confirm if CEBECO guarantees 100% offtake.	The TOR provides: "The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol."

**CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)
MATRIX OF COMMENTS**

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
111	GNPK	PSA	SCHEDULE 4	<p>The Buyer shall pay the Seller for the Energy/ Capacity at the following Fees and as adjusted on a monthly basis pursuant to the following formula:</p> $TGC=CRF+FOM+VOM+FFAdj$ <p>Where:</p> <p>TGC=Total Generation Charge in Php for the Billing Period</p> <p>CRF= Capital Recovery Fee as defined in the Bid Documents at</p> <p>FOM= Fixed Operation and Maintenance Fee as defined in the Bid Documents at</p> <p>VOM=Variable Operation and Maintenance Fee as defined in the Bid Documents at</p> <p>FFAdj= Current Fuel Fee (if applicable) for the Billing Period calculated as follows:</p> $FFAdj=FFbase*(FOcurrent/FObase)$ <p>Where:</p> <p>FFbase= Base Fuel Fee as defined in the Bid Documents set at FOcurrent= Current cost of fuel at /(unit FObase=Base cost of fuel set at /(unit</p>	<p>Please confirm if this formula is binding or can be changed depending on the pricing/tariff structure of the winning bidder</p> <p>While we note that the Capital Recovery Fee (CRF) should be fixed in Php/kWh, we would like to appeal to be allowed to incorporate foreign components to the CRF and FOM in view of new and big power projects require foreign-manufactured equipment paid in foreign funding/currency.</p> <p>Forcing the generator to fix the said foreign denominated costs in PHP diminishes its competitiveness as it has to add rate premiums to cover for any risk foreign exchange rate fluctuations during the term of 10 years.</p>	<p>CRF and FOM shall be fixed for the entire duration of the contract. Further, the Line Rental is for the account of the winning bidder. Transmission charges billed to generation companies shall not form part of this CSP.</p>

ONSITE COMMENTS/CLARIFICATIONS:

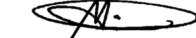
PROPONENT	QUESTION	CLARIFICATION	RESPONSES
KEPCO: Jude Rendon	16.5.1 The total amount of the CRF shall not exceed the rate amount approved by ERC per technology	There is no uniform CRF duly approved by the ERC for each plant. CRF being one of the lifeblood of the GENCO 1.How will it going to be reconciled by the P5.30 cap? The bidders cannot be given equal fitting. if the CRF be already be tact-in to the electricity fee and will exceed the cap but the CRF is approved by ERC. How will the CRF be incorporated in the Bid Offer. The bid cap of the CRF will be redundant considering there is already a Ceiling or Bid cap of the total and the CRF Cap. Propose that it be deleted	Verify from the guidelines if this can be catered. Upon discussion, CEBECO II will only maintain 1 bid cap that is the total amount of CRF+FOM+VOM+FF
		2. What is the basis of not escalating the FOM. We know that the FOM comprises of components that escalates for example Salaries	Will check with guidelines and verify if the amounts of FOM can be escalated. Will issue supplemental Bid Bulletin if ever
FDC: Rolando Yagang & Rolando Gaerlan	Although CEBECO II is rationally to provide the best for the MCCO, however during the review of the documents found it that the provisions are very hard and onerous in nature..	Outages impossible: suggest to add outage allowances and consider the rate provision for these outages	Clarified your are allowed to nominate your outages but we just want to guarantee that there is power even during those outages. But yes this will be reviewed.
		Line Rental : detrimental to plants located elsewhere considering that location is not preferred.	congestion: the seller and buyer is not guaranteed. There are instances when line rentals are beneficial to either of the parties.
		Fuel cost in December 2023 has no basis why this bacame the basis for evaluation. And the conversion rates has to be updated as well. Propose to use the latest conversions and indexes.	When the bid documents was prepared it was earlier than 2023, because of the changes. When the approved documents was january then the nearest available data is December. But we will considering the latest reference date.
MPI: John Mayo	Are we going to get a copy of the comments and answers		Furnished a copy of the responses ASAP
	There was a recent bidding of 160MW with the ceiling of P6.5158 and exclusive of VAT and line Rental.	Can we re-evaluate the ceiling price.	The P5.30 is exclusive of VAT and all other discounts. When we evaluated our Bid cap, we based this in our current suppliers prices. We will sit down on this and we will review this amount.

CEBECO II COMPETITIVE SELECTION PROCESS (CSP) OF 12MW BASELOAD POWER SUPPLY FOR THE 10 YEARS (2024-2034)

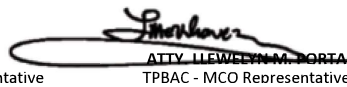
MATRIX OF COMMENTS

No.	PROPONENT	REFERENCE DOCUMENT	ITEM / SECTION	PROVISION	CLARIFICATION/RECOMMENDATION	CEBECO II RESPONSE
	PCPC: Rosemarie Bibar			Replacement power- the "whichever is lower" provision in ERC enumerates the instances when this will be applied.	In this case is it still the "whichever is lower" even if the bidders is within all the requirements	The provision was based on the ERC and NEA Guidelines. But we will verify with ERC on this concern.
				Financial Bid Form	In filling-out the Financial Bid Form.	will refer particularly to Finance after the Open Forum.
				Copies of all the comments		
	CEDC: Jovert Canete			No more clarifications. Similar to other questions raised		
	GNPK: Joseph Yanga			Foreign Ownership, Debt Ratio 50-70%	already considered	
				Price Cap 5.30 we note that this was significantly lower than all the other recent biddings including those with bigger requirement: Meralco 3000MW & Frecor 162MW was set at P7 & P6.5158, respectively	For CEBECO II to consider the rate	Verify the computation. If there will be revisions, We will immediately issue a supplemental Bid Bulletin
				What is included in the cost of connection point:	Indeed was discussed that it included the Line Rental. Suggested that the cost of connection should be allocated to CEBECO II instead of the bidder. This is beneficial giving the potential difficulties in accurately modeling the rate of these connection charges. The bidders proposals may be unfairly impacted of the inaccurate data.	Both the DU and the Generator has no control on the Line Rental. Consider that problem on line rental happens only during congestion, which will translate to the member consumers which is difficult to justify
					Suggest for risk sharing with a cap of P1	this will be reviewed
				The level of risk mitigation should be carefully considered in a case-to-case basis. The benefits should way advantages and disadvantages. Suggest not to impose Performance Bonds	Performance Bond requirement not be imposed in this specific CSP, if not, impose the specific performance bond requirement once the bid is awarded	It is clear in the guidelines that we will really require Performance bonds because this will protect the DUs. Consider this that when the bidder will unreasonably withdraw after the execution of the contract, the DU will be exposed and will take time to secure another supplier. But ERC has not defined time when this be returned then this will be looked in to.
					Suggest on the timing of the Performance bond be placed after the approval of the ERC	
	KEPCO: Jude Rendon			suggest to make another date for the conference date to be fair with other bidder who has left		Suggestion is taken: schedule to May 6, 2024 at 9:00 specifically on the discussion of the Financial Bid Proposal
	PCPC: Rosemarie Bibar			Excess of the Bid Bond refund in the amount of the Withholding tax		refund will be processed immediately, upon submission of the 2307 and the bank details

Attested By:



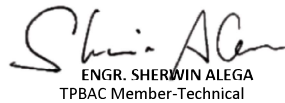
ENGR. PETER B. SENERES
TPBAC Chairman- MCO Representative



ATTY. LLEWELLYN M. PORTA
TPBAC - MCO Representative



ATTY. JEADAH ROLLAN
TPBAC Member-Legal & Finance



ENGR. SHERWIN ALEGA
TPBAC Member-Technical



ENGR. JAEDIAH CAPUTILLA
TPBAC Member- Technical