



# PAMPANGA I ELECTRIC COOPERATIVE, INC.

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September 20, 2024

## Supplemental Bulletin No. 2024-07


### Procurement of Baseload and Peaking Power Supply Agreements

This has reference to the written requests for clarification submitted by Southwest Luzon Power Generation Corporation (SLPGC) and Therma Luzon, Inc. (TLI) until September 12, 2024. In this regard, the responses of the PELCO I CSP BAC are stated in the attached document. This document shall form part of the Bidding Documents.

For your information and guidance.

Approved by: **PELCO I CSP BAC**

Noted by:

  
**ENGR. OLIVER S. VERGARA, MEM**  
BAC Chairman

  
**ENGR. ALLAN E. DAVID**  
General Manager

JSP / DTG / EMG / RPM / JBN / BLM

#### AREA COVERAGE:

ARAYAT  
0917-543-0705  
(045) 885-0041

CANDABA  
0917-543-0707  
(045) 875-1765/966-0269

MAGALANG  
0917-543-0706  
(045) 866-0656

MEXICO  
0917-543-0707  
(045) 875-1765 / 966-0269

SAN LUIS  
0917-543-0708

STA ANA  
0917-543-0707  
(045) 875-1765 / 966-0269

Bidder	Item	Provision	Comments / Observation / Clarification / Suggested Revision	PELCO I Response
SLPGC	Instruction to Bidders C-5, page 10	Instruction to Bidders C-5, page 10	<p>C. BIDDER'S ELIGIBILITY, RESPONSIBILITIES AND DISQUALIFICATION</p> <p>1. The bidder has submitted the following to the ERC: <b>(a) Certificate of Compliance ("COC") or Provisional Authority to Operate ("PAO") issued by the ERC</b> together with a copy of application for COC; and (b) Generation Company Information Sheet ("GCIS") and Generation Company Management Report ("GCMR");</p> <p>Please confirm that submission of a copy of the ERC COC/PAO is not included in the Annex C Checklist.</p>	The COC and PAO are included in the revised Annex C of the IB.
SLPGC	Revised Annex C	Revised Annex C received Sept10	<p>Organizational chart including governing board, management, and key personnel <b>(original)</b></p> <p>Instead of submitting original, please allow the Bidder to submit a photocopy of the Organization's Table of Organization (Functional T.O) as it is already signed by the Management and took part of the IMS book.</p>	BAC will allow either original or CTC which will be reflected in the revised IB.

			Thus, the said copy will be Certified by the Authorized Representative.	
SLPGC	Revised Annex C	Revised Annex F: Omnibus	<p><b>L5</b> Notarized Certification by the bidder to the effect that it is not prohibited or restricted in any manner under applicable law or any agreement or license from participating in the Bidding Process. <i>(original)</i></p> <p>Sworn Undertaking that the bidder, if applicable, as well as their affiliates, assigns and successors in-interest, shall abide by the decisions of the PELCO I BAC, shall hold the PELCO I, its Board Members, Officers and Management, and BAC free and harmless from any claim or cause of action arising from the conduct and award of the Project, and shall undertake not to institute or file any case or claim before any court of competent jurisdiction and administrative agency in relation to the conduct and award of the Project, except as provided for under Article VI (Protest Mechanism) and Article X (Enforcement) of the ERC Resolution No. 16, Series of 2023 (ERC 2023 CSP Guidelines). <i>(original)</i></p> <p><b>L7</b> Sworn Attestation against Corruption (RA 3019) <i>(original)</i></p> <p><b>L8</b> Sworn Attestation of No Conflict of Interest - The bidder must disclose detailed information regarding any existing, potential, or future conflict of interest that a bidder may have with the SAC. <i>(original)</i></p> <p>Please confirm the following:</p> <ol style="list-style-type: none"> <li>1. The previously listed as L5-L8 (above) is omitted in the revised IB, Annex C, since it will be incorporated in Annex F: Omnibus Sworn Statement.</li> <li>2. L5, as listed above is considered the same as #3 of the revised Annex F (Not Blacklisted).</li> <li>3. L6-L7, as listed above is included in the Revised Annex F as item # 7 and #11.</li> <li>4. L8, as listed above (Conflict of Interest), is <u>not</u> included in the revised Annex F. Thus, can the Bidder edit the said form?</li> </ol>	<ol style="list-style-type: none"> <li>1. Confirmed.</li> <li>2. Confirmed.</li> <li>3. Confirmed.</li> <li>4. Conflict of Interest provision in the IB is revised and reflected the same provision in the Annex F.</li> </ol>
SLPGC	Revised Annex C	Revised Annex C received Sept10	Kindly confirm that "TB3: Scheduled and Unscheduled Outage Allowances in calendar days" is omitted in the revised IB and included in "Annex J: Detailed Supply Plan"?	The Scheduled and Unscheduled Outage Allowances in calendar days are reflected in the Technical Bid Forms 1 and 2 of the revised IB.



SLPGC	General	General / Comparison and Selection of Lowest Calculated Bid (LCB)	<p>Maximum Bid of 15MW</p> <p>This is to seconded the comment of another Bidder in SBB 5 to allow the Bidders to nominate the entire 30MW of Lots A &amp; B, as this would defeat the purpose of a Competitive Selection Process, as outlined by DOE and ERC standards, to acquire power at the least possible cost.</p> <p>If a Bidder can supply Lots A &amp; B at the least cost, but only one Lot can be redeemed, that would be at the loss of the Customers, as they should have the least cost to pay.</p>	Retain original selection scheme, awarding a maximum of 15MW to a bidder.
SLPGC	General	General	<p>Non-Refundable Participation Fee:</p> <p>"x x x payment of a non-refundable "Participation Fee" of Three Hundred Thousand Pesos (Php 300,000.00), for Lots A and B (package), and One Hundred Fifty Thousand Pesos (Php 150,000.00) for Lot C, VAT-inclusive x x x"</p> <p>The Non-refundable Participation fee for Lots A &amp; B was understood as "package" which is 15MW each, and a total of 30MW. The understanding of the computation of the said fees is equivalent to 30MW as Lot C amounting to Php 150,000 is equivalent to 15MW.</p>	<p>The amount of the Participation Fee is compliant with ERC CSP Guideline Appendix B. Section 1 and NEA CSP Guideline Article VIII, Section 8.2.5 b.</p> <p>The bidder's 15MW offer is qualified to participate to both Lots A and B but may only win either of the lots. As discussed during the pre-bid conference, the purpose of such diversification of supply is to ensure security and reliability of supply; and lesser risk to PELCO I.</p> <p>The Participation Fee for Lot C is only Php 150,000 because the expected energy offtake for peaking is significantly lower than that for baseload.</p>

			Should it be proportionate in the capacity that we will be bidding?	
TLI	IB. Amendments and Clarifications to the Bidding Document	2. The bidders may request in writing for clarification or interpretation on any part of the bidding documents. The BAC shall respond to said request by issuing SB/s to be made available to all bidders at least fifteen (15) calendar days before the submission of bids.	When is the deadline to submit comments and clarifications?	September 20, 2024
TLI	IB. Eligible Bidders	The following bidders shall be eligible to participate in this CSP:	Please confirm if the conditions listed are already included in the eligibility requirements.	The list of eligibility requirements was updated consistent with the revised IB.
TLI	IB. Eligible Bidders	5. The bidder has submitted the following to the ERC: (a) Certificate of Compliance ("COC") or Provisional Authority to Operate ("PAO") issued by the ERC together with a copy of application for COC; and (b) Generation Company Information Sheet ("GCIS") and Generation Company Management Report ("GCMR");	ERC COC or PAO is not included as part of the eligibility requirements. Will the BAC require the bidders to submit a COC or PAO?	The COC and PAO are included in the revised Annex C of the IB.
TLI	IB. Eligible Bidders	6. The bidder's officers, directors, and/or controlling stockholders shall not be related to the PELCO I Board of Directors, General Manager, members of BAC, TWG, Secretariat, by consanguinity or affinity up to the third civil degree;	Please confirm that these are included in Annex F. Omnibus Sworn Statement.	Confirmed. The following items are reflected in Annex F: 6. Item #6 7. Item #7 8. Item #3


		<p>7. The bidder shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by any government or other entity in accordance with this bidding documents;</p> <p>8. The bidder is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, Local Government Units, Electric Cooperative/s, foreign government/s, foreign or international financing institution/s whose blacklisting rules have been recognized by the Government Procurement Policy Board;</p>		
TLI	IB. Bid Security	<p>3. The required BS shall be valid for the duration of the bidding process but in no case beyond one hundred eighty (180) calendar days from the deadline for submission and opening of bids. The execution of the PSA shall be made within the Bid Validity Period and Bid Security Validity Period.</p>	<p>Please confirm that the validity of the Bid Security is from October 16, 2024 to April 14, 2024.</p>	<p>October 16, 2024 (Bid submission date) + 180 calendar days = April 14, 2025 (Expiration date).</p> <p>Note that Expiration date may change if the bid submission date is moved on a later date.</p>




TLI	IB. Reference Market Prices, Indices and ForEx	<table border="1"> <thead> <tr> <th>Index</th> <th>Base Value</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>PHCPI</td> <td>125.60</td> <td>Summary Inflation Report, Consumer Price Index (2018=100), All Income Households, All Items for <b>June 2024</b>, <a href="http://www.bls.gov">www.bls.gov</a></td> </tr> <tr> <td>USCPI</td> <td>314.175</td> <td>Consumer Price Index for All Urban Consumers (CPI-U) (1982=84=100): US city average, by expenditure category, <b>June 2024</b>, <a href="http://www.bls.gov">www.bls.gov</a></td> </tr> <tr> <td>ForEx</td> <td>\$5.70 Pp/USD</td> <td>Daily Pesos per US Dollar Rate, Monthly Average for <b>June 2024</b>, <a href="http://www.bls.gov">www.bls.gov</a></td> </tr> <tr> <td>Coal</td> <td>135.10 USD/MT</td> <td>Australian Coal Price, Monthly Average Price, <b>June 2024</b>, <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a></td> </tr> </tbody> </table> <p>Bidding Documents (encompassing EAFB) - Bidding and Pricing PSA Page 28</p> <table border="1"> <tbody> <tr> <td>Liquefied natural gas, Europe</td> <td>10.87 \$/mmbtu</td> <td>European Union Natural Gas Import, Monthly Average Price, <b>June 2024</b>, <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a></td> </tr> <tr> <td>Natural Gas, US</td> <td>2.51 \$/mmbtu</td> <td>US Natural Gas, Monthly Average Price, <b>June 2024</b>, <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a></td> </tr> </tbody> </table>	Index	Base Value	Source	PHCPI	125.60	Summary Inflation Report, Consumer Price Index (2018=100), All Income Households, All Items for <b>June 2024</b> , <a href="http://www.bls.gov">www.bls.gov</a>	USCPI	314.175	Consumer Price Index for All Urban Consumers (CPI-U) (1982=84=100): US city average, by expenditure category, <b>June 2024</b> , <a href="http://www.bls.gov">www.bls.gov</a>	ForEx	\$5.70 Pp/USD	Daily Pesos per US Dollar Rate, Monthly Average for <b>June 2024</b> , <a href="http://www.bls.gov">www.bls.gov</a>	Coal	135.10 USD/MT	Australian Coal Price, Monthly Average Price, <b>June 2024</b> , <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a>	Liquefied natural gas, Europe	10.87 \$/mmbtu	European Union Natural Gas Import, Monthly Average Price, <b>June 2024</b> , <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a>	Natural Gas, US	2.51 \$/mmbtu	US Natural Gas, Monthly Average Price, <b>June 2024</b> , <a href="http://www.worldbank.org/commodities">http://www.worldbank.org/commodities</a>	Suggest that bidder may nominate indices other than Australian Coal.	Bidder shall nominate its own fuel index/indices and provide the 6-year monthly historical prices of the nominated fuel (2014-2019) including the January to June 2024.  Further, the revised bid form will be provided to the bidder.
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TLI	IB. Financial Ratios	Bidder shall use the following formula in the calculation of financial ratios in their AFS.	Will the BAC prescribe specific standards for the financial ratio that should be met by the bidders?	None.																					
TLI	IB. Evaluation of Bid Price - Methodology	Australian Coal Price, Annual Average Growth Rate (AAGR,%) in 2014-2019, <a href="https://www.statista.com/statistics/1303005/monthly-coal-price-index-worldwide/">https://www.statista.com/statistics/1303005/monthly-coal-price-index-worldwide/</a>	Please confirm that the source / website for the fuel indices will only be used for evaluation purposes only. During PSA implementation, the winning bidder will be responsible for providing the current indices and its source.	Bidder shall nominate its own fuel index/indices and provide the 6-year monthly historical prices of the nominated fuel (2014-2019) including the January to June 2024.  The nominated fuel index/indices including the percentage allocation (C <sub>1a</sub> and C <sub>1b</sub> ) shall be used during evaluation and shall be binding during PSA implementation.  Further, the revised bid form will be provided to the bidder.																					
TLI	IB Financial Bid: Price Structure	Fuel Tax	We would like to clarify the intention to explicitly separate excise tax from the fuel cost component. For billing purposes, this would have to be a separate line item as well?	The Fuel tax (excise tax) will be included in the fuel fee formula which will be reflected in the revised IB.																					

TLI	IB. Financial Bid	<p>For Fuel:</p> $Fuel_{i,t} = \left[ \left( Fuel_{i,t-1} \times \frac{C_{i,t}}{C_{i,t-1}} \right) + \left( Fuel_{i,t-1} \times \frac{C_{i,t}}{C_{i,t-1}} \right) - Fuel_{i,t-1} \left( \frac{C_{i,t}}{C_{i,t-1}} \right) \right] \times Q_{i,t}$ <p>Being document number of Bids – Bidding and Pricing (B) Page 27</p> <p>Where:</p> <ul style="list-style-type: none"> <li>Fuel<sub>i,t</sub> – Fuel fee for a billing month, \$/kg</li> <li>Fuel<sub>i,t-1</sub> – Base fuel cost of primary fuel, \$/kg/200k</li> <li>Fuel<sub>i,t-1</sub> – Base fuel cost of secondary fuel, \$/kg/200k</li> <li>Fuel<sub>i,t-1</sub> – Non-fuel commodity-related cost, \$/kg/200k</li> <li>FCI<sub>i,t</sub> – Fuel Cost Index of primary fuel for a billing month</li> <li>FCI<sub>i,t-1</sub> – Fuel Cost Index of secondary fuel for a billing month</li> <li>FCI<sub>i,t-1</sub> – Fuel Cost Index of primary fuel for a reference month</li> <li>FCI<sub>i,t-1</sub> – Fuel Cost Index of secondary fuel for a reference month</li> <li>FX<sub>i,t</sub> – Foreign Exchange Rate for a billing month</li> <li>FX<sub>i,t-1</sub> – Foreign Exchange Rate for a reference month</li> <li>C<sub>i,t</sub>, C<sub>i,t-1</sub> – Indexation parameter for fuel, in percent (between 0 to 100)</li> <li>Q<sub>i,t</sub> – Quantity of energy delivered by the power supplier for a billing month, kWh</li> </ul>	Base fuel should only have one value, reflecting the bidder's fuel cost using the base indices. The indexation parameter will be the percentage share of each index of the base fuel.	Bidders may nominate two (2) fuel indices. Thus, it may have two (2) fuel base values.
TLI	IB. ANNEX H. – List of Projects Undertaken Over the Last Ten (10) Years	Built/Commissioning Year	For PSA, please confirm that we will provide the Commencement Date and Expiration Date.	Confirmed.
TLI	IB. ANNEX H. – List of Projects Undertaken Over the Last Ten (10) Years	Name of Project (Constructed Plant/s, Operated/Maintained Plant/s, PSA/s with Dus/ECs and RES/s Contract with CC/s)	For non-regulated PSAs, requesting to allow to redact the name of the non-regulated customer due to confidentiality provision.	As indicated in the Annex H, for non-regulated PSAs, bidders shall only indicate the Total number of customers and Total Contract Capacity.
TLI	IB. ANNEX C. Eligibility Requirements	F3. Calculation sheet of the latest Unrestricted Net Worth ("UNW") of the bidder, including its Affiliates, if necessary, from the latest AFS or consolidated financial statements, certified by the Finance Manager or any Authorized Officer of the bidder. The latest UNW must show at least 30% of the equivalent one (1) year	Request to include a calculation sheet	A notarized certification on UNW is included in the list of eligibility requirements as Annex M.



		contract cost of the PSA. Shall the bidder include its Affiliates in the calculation of its UNW, it shall also submit the latest AFS of each affiliate as supporting document. (Original)		
TLI	IB. Annex C. Eligibility Requirements	F9. Detailed fuel fee documentation from January to June 2024 and attach a copy of the actual invoices of fuel and non-fuel- commodity costs for June 2024 billing (CTC)	Since bidders will be evaluated using the nominated fuel indices, we suggest removing this requirement since this will not affect the evaluation. The BAC may require these documents during post qualification in case the BAC wants to validate the fuel cost of the bidders.	Retain original provision.
TLI	Bid Form	<u>Breakdown of costs</u> 	We would like to clarify what the formulas would be for this section. The cells currently show error messages.	The BAC has revised the Bid Form accordingly.
TLI	Supplemental Bulletin No. 2024-05	Bid Security formula: $BS = 3 \times 9,849,235 \text{ kWh} \times \text{June 2024 base price}$	Please confirm that the June 2024 base price referred in the computation of bid security is the Total Bid Price (inclusive of discounts) indicated in the Bid Form.	Confirmed.
TLI	Bid Form - 15MW PSA - Baseload	Annual Contract Energy	Please confirm that the annual contract energy indicated in the Bid Form is binding and this will be minimum consumption of PELCO I.  During contract implementation, should PELCO I nominated lower contract energy that what was provided in the Bid Form the winning bidder will bill based on the annual contract energy.	Confirmed. The annual contracted energy is the MEOT.  Confirmed. Except during force majeure event/s on the part of the PELCO I.

TLI	IB. Financial Bid	<p>For VOM:</p> $VOM_{i,t} = \left[ (VOM_{i,t} \times k_1 + \frac{VOM_{i,t} \times F}{100}) + \left( (VOM_{i,t} \times k_2 + \frac{FOM_{i,t}}{100}) \right) \right] \times Q_{i,t}$ <p>Where:  VOM<sub>i,t</sub> - Variable O&amp;M Fee for a billing month, Php  VOM<sub>i</sub> - Foreign variable O&amp;M Fee Rate, Php/kWh  VOM<sub>l</sub> - Local variable O&amp;M Fee Rate, Php/kWh  USCPI<sub>t</sub> - US Consumer Price Index for a billing month  USCPI<sub>r</sub> - US Consumer Price Index for a reference month  PHICPI<sub>t</sub> - Phil. Consumer Price Index for a billing month  PHICPI<sub>r</sub> - Phil. Consumer Price Index for a reference month  FX<sub>t</sub> - Foreign Exchange Rate for a billing month  FX<sub>r</sub> - Foreign Exchange Rate for a reference month  k<sub>1</sub>, k<sub>2</sub> - indexation parameter for VOM, in percent (between 0 to 100).  Note: k<sub>1</sub> + k<sub>2</sub> = 100  Q<sub>i,t</sub> - Quantity of energy delivered by the power supplier for a billing month, kWh</p>	Suggest that Bidders will only provide one base VOM and indicate the percentage (%) breakdown of foreign and local.	Retain current formula for VOM.
TLI	IB. Evaluation of Bid Price		Since the CRF <sub>year</sub> , FOM <sub>year</sub> , VOM <sub>year</sub> , Fuel <sub>year</sub> , FT <sub>year</sub> , and LR <sub>year</sub> are already multiplied by Q <sub>year</sub> (Annual Contracted Energy), the Annual Price Net of Discounts <sub>year</sub> is already in Php. Hence, the annual fee should not be multiplied again by Q <sub>year</sub> (Annual Contracted Energy). The resulting Annual Price Net of Discounts <sub>year</sub> is already the annual fee.	Revised the formula accordingly.
TLI	Supplemental Bulletin No. 2024-05	<p>Yes, bidder is allowed to list a maximum of two (2) nominated plants from which it shall source its supply of electricity.</p> <p>The bidder is not required to provide the complete set of eligibility requirements for each plant. However, only a Notarized Certificate of Available Capacity from the plant/s from which the bidder shall source the supply of electricity shall be submitted.</p>	We would like to clarify if the bidders are allowed to nominate plants from affiliates. If yes, the bidder shall submit the eligibility requirements of each plant since the nominated plant from affiliate is not operated by the bidder.	Yes. The applicable technical eligibility requirements must be submitted.

**THE COMPETITIVE SELECTION PROCESS -- BIDS AND AWARDS COMMITTEE (CSP-BAC)**

  
**ENGR. OLIVER S. VERGARA, MEM**  
Chairman

  
**JACKIE LOU S. PEÑA, CPA**  
Vice Chairman

  
**DANILO T. GALANG, LL.B.**  
Secretary

  
**RONA P. MANALOTO, CPA**  
Treasurer

  
**ENGR. ENRICO M. GO**  
Auditor