



# PAMPANGA I ELECTRIC COOPERATIVE, INC.

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September 26, 2024

## Supplemental Bulletin No. 2024-09


### Procurement of Baseload and Peaking Power Supply Agreements

This has reference to the written requests for clarification submitted by the bidders on September 20, 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

 /  /  /  /  / 

#### 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



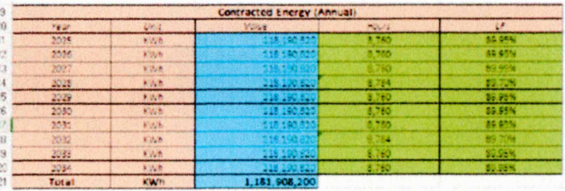
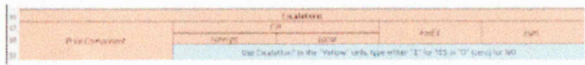
Bidder	Item	Provision	Comments / Observation / Clarification / Suggested Revision	PELCO I Response
SLPGC	Revised Instruction to Bidders Annex C	Annex C, item T12	<div data-bbox="1111 159 1722 297" style="border: 1px solid black; padding: 5px;"> <p>5-year Historical Reliability Performance of the two (2) nominated plants (Annex N)  Note: To solve for Average Number of Planned/Unplanned Outages, use the formula  Ave. No. of Planned/Unplanned Outages = <math>\frac{(U_1) \times (O_1) + (U_2) \times (O_2) + \dots + (U_n) \times (O_n)}{\text{Total Rated Capacity}}</math>  where:  U<sub>x</sub> = Rated Capacity of Unit x  O = No. of Planned/Unplanned Outage of Unit x</p> </div> <p>1. Please confirm that the Bidder shall not be disqualified if only 1 nominated plant will be submitted.  2. If yes, may we delete the other box (2nd Nominated Plant, rows 15-27) upon printing and signing this form?</p>	<p>1. Confirmed.  2. No. The bidder is not allowed to delete any cell from the bid form but may enter "N/A" for not applicable cells.</p>
SLPGC	Revised Instruction to Bidders	Annex K	<p>1. Please confirm that the Bidder shall not be disqualified if only 1 nominated plant will be submitted.  2. If yes, may we delete the other box (2nd Nominated Plant, rows 61-108) upon printing and signing this form?</p>	<p>1. Confirmed.  2. No. The bidder is not allowed to delete any cell from the bid form but may enter "N/A" for not applicable cells.</p>
SLPGC	Revised Instruction to Bidders Annex C	Annex C F9	<p>What if the current invoices (January to June 2024) of the Bidder no longer reflect a new Coal Supply Agreement to be implemented for the duration of this PSA? To avoid confusion as to the fuel fee in the bid formula (which reflects the new CSA) vs the current invoices (which reflects the old CSA), we suggest removing this requirement. If the intention is to track the movement in the fuel prices, the certification from the Fuel Supplier of the monthly values of the nominated indices is already sufficient.</p>	<p>For bidder whose new CSA/FSA will commence on or before January 1, 2025 for its nominated plant/s, the bidder is allowed to nominate base fuel price/s other than the June 2024 values, provided that the bidder must submit a copy of a redacted new CSA/FSA showing at least the nominated base fuel price/s and the contract period.   Further, the nominated value/s will be binding in the PSA.</p>
SPI	Instruction to Bidders (September 18, 2024)	<p>Evaluation of Financial Bid</p> <div data-bbox="500 1263 1074 1386" style="border: 1px solid black; padding: 5px;"> <p>“ Bidders will nominate their own fuel indices 6-year Historical (2014-2019), Fuel Price, Annual Average Growth Rate (AAGR,%) in 2014-2019 Bidder shall provide data sources of their nominated index/indices</p> </div>	<p>We suggest to use the values based on World Bank January 2010 to December 2019 for purposes of evaluating the bid price over the duration of the supply period as follows:</p>	<p>Retain the original provision.</p>



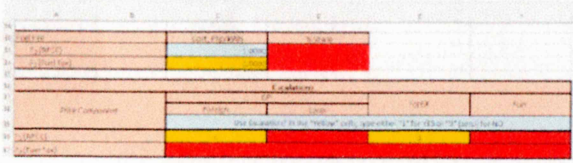
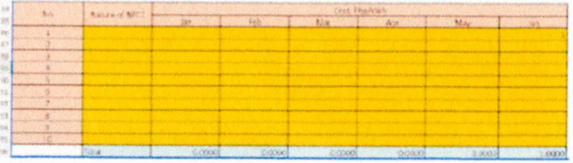
			coal -1.5425% nat gas 1.4472% crude oil 1.9838% biomass 4.1066%	
SPI	Instruction to Bidders (September 18, 2024)	Financial Bid  For Fuel: $Fuel_m = \left[ (Fuel_1 \times c_{1a} \times \frac{FCI_{1a}}{FCI_{1b}} \times \frac{FX_m}{FX_o}) + (Fuel_{1b} \times c_{1a} \times \frac{FCI_{1b}}{FCI_{1a}} \times \frac{FX_m}{FX_o}) + Fuel_2 \times \left( \frac{FX_m}{FX_o} \times \frac{USCPI_m}{USCPI_o} \right) + Fuel_3 \right] \times \theta_m$	We suggest that Fuel <sub>3</sub> in the formula should not be shown as a separate item but be included in Fuel <sub>2</sub> .	Retain the original provision.  Fuel <sub>3</sub> refers to the fuel tax (excise tax), which is not affected by USCPI and Forex.
SPI	Instruction to Bidders (September 18, 2024)	Financial Bid  $+ Fuel_2 \times \left( \frac{FX_m}{FX_o} \times \frac{USCPI_m}{USCPI_o} \right)$	We suggest that in the formula for the calculation of Fuel <sub>m</sub> the Fuel <sub>2</sub> component should already include item for Fuel <sub>3</sub> , then further segregated to Local and Foreign Components so that Bidders may indicate applicable adjustment index/indices.  We also suggest to include applicable index/indices to adjust local component of Fuel <sub>2</sub> .	Retain the original provision.
SPI	Instruction to Bidders (September 18, 2024)	Performance Security ("PS")  The 12-month average energy is equivalent to 9,849,235 kWh.	We suggest to revise as follows:  The <b>monthly</b> average energy is equivalent to 9,849,235 kWh.	Accepted.
SPI	Instruction to Bidders (September 18, 2024)	Annex C  T4 - Evidence of ownership of right, title or interest in the site/s such as land title or lease agreement with the land-owner of the site where nominated plant/s is/are located.	SPI is currently the IPPA of the Sual Plant until October 24, 2024 and will become owner of the Sual Plant after said date. Currently, SPI in anticipation of the turnover of the Sual Plant is already in the process of securing the corresponding evidence of ownership of right, title or interest in the site/s such as land title or lease agreement with the land-owner and may not be able to secure a copy prior to bid opening date. With this, we request that we be allowed to submit, if unavailable on bid opening, a certification from the Bidder with the	Retain the original provision.

			undertaking to submit the same once available.	
SPI	Revised Annexes (September 18, 2024)	Annex C T9 - Risk Management Plan/ Business Continuity Plan/ Resiliency Plan related to the subject PSA (CTC)	SPI is currently the IPPA of the Sual Plant until October 24, 2024 and will become owner of the Sual Plant after said date. Currently, SPI in anticipation of the turnover of the Sual Plant is already in the process of preparing the corresponding Risk Management Plan/ Business Continuity Plan/ Resiliency Plan for Sual Plant and may not be able to provide a copy prior to bid opening date. With this, we request that we be allowed to submit, if unavailable on bid opening, a certification from the Bidder that it will issue the Risk Management Plan/ Business Continuity Plan/ Resiliency Plan once available.	Retain the original provision.
SPI	Revised Annexes (September 18, 2024)	Annex C T10 - Notarized Certification on Insurance Policies issued by authorized officer/s or representative/s of the bidder (Annex J) (Original)	SPI is currently the IPPA of the Sual Plant until October 24, 2024 and will become owner of the Sual Plant after said date. Currently, SPI in anticipation of the turnover of the Sual Plant is already in the process of securing the corresponding insurances to take effect on turn-over and may not be able to secure a copy of the actual policy prior to bid opening date. With this, we request that we be allowed to submit, if unavailable on bid opening, a copy of the application or certification from the would-be insurance company that will issue the insurance policy with the undertaking to submit the same on post qualification. And a certification from the bidder that it confirms that the plant will be covered by an insurance policy until the end of the PSA contract term.	The bidder shall submit a notarized certification on the insurance policy showing a validity of at least until December 31, 2024.



SPI	Revised Annexes (September 18, 2024)	<p>Annex C</p> <p>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 and Certification from the Fuel Supplier certifying the veracity of the monthly values of the nominated Fuel prices/indices (CTC/Original)</p>	<p>Please confirm that for purposes of supporting Base Fuel Fee, the Bidder may submit actual invoice to customers supplied under the same Nominated Plant showing the actual invoices of fuel &amp; non-fuel-commodity costs for the base month (June 2024). Detailed Fuel Fee documentation may be submitted to support Actual Fuel Fee implemented from Delivery Date and onwards</p>	<p>No. The required document to be submitted in the bidding is the June 2024 actual billing for fuel from the fuel suppliers and the actual billing for NFCC from suppliers.</p> <p>Detailed Fuel Fee Documentation includes the attachment of actual billing for fuel from the fuel suppliers and actual billing for NFCC from suppliers must be submitted to PELCO I to support actual fuel and non-fuel fees during the implementation of the PSA.</p>
SPI	Revised Annexes (September 18, 2024)	<p>Annex O</p> <p>Bid Form worksheet, Contracted Energy (Annual) table</p> 	<p>Other than the Buyer's commitment for a monthly minimum energy offtake at 89.95% Capacity Utilization Factor, may we clarify what would the Buyer's commitment for a minimum capacity nomination per trading interval.</p>	<p>7.5 MW for Baseload supply.</p>
SPI	Revised Annexes (September 18, 2024)	<p>Annex O</p> <p>INSTRUCTIONS worksheet</p> <p>3 Bidder may nominate a maximum of two (2) physical power plants of the same technology only.</p>	<p>Suggest to include as item No. 4: 4. Bidder may nominate a maximum of two (2) indices to be used in calculating the Fuel Cost Components F<sub>1a</sub> and F<sub>1b</sub>.</p>	<p>Accepted.</p>
SPI	Revised Annexes (September 18, 2024)	<p>Annex O</p> <p>Bid Form worksheet, Escalations table</p> 	<p>Please clarify what does "Fuel" mean in cells F37-F38.</p>	<p>"Fuel" in cells F37-F38 is replaced with Fuel Cost Index (FCI).</p>




SPI	Revised Annexes (September 18, 2024)	<p>Annex O</p> <p>Bid Form worksheet, Escalations table</p> 	<p>We suggest the following:</p> <ol style="list-style-type: none"> <li>1. Row 46 F<sub>2</sub> (NFCC) should be further segregated to Foreign and Local components. Thus, Cell D46 should also be editable.</li> <li>2. Row 47 F<sub>3</sub> (Fuel Tax) should already be included in Row 46 F<sub>2</sub> (NFCC).</li> </ol>	<ol style="list-style-type: none"> <li>1. Retain original formula and format in the worksheet.</li> <li>2. Retain original formula and format in the worksheet.</li> </ol>
SPI	Revised Annexes (September 18, 2024)	<p>Annex O</p> <p>Fuel Fee worksheet, Cost, Php/kWh table</p> 	<p>We suggest the following</p> <ol style="list-style-type: none"> <li>1. If Bidder desires to recover actual NFCC, then it should indicate all the details of its NFCC including applicable Excise Tax from January to June 2024 with supporting documents.</li> <li>2. If Bidder would want to risk indicating NFCC that is not fully supported with documents, then it should be allowed to indicate in the June 2024 column any level that shall serve as a fixed recovery regardless of actual cost.</li> </ol>	<ol style="list-style-type: none"> <li>1. All NFCC details must be disclosed in the new Annex P of the IB and in the Financial Bid Form. Excise tax (F<sub>3</sub>) is a separate fuel fee component that is not affected by USCPI and Forex.</li> <li>2. Retain original provision.</li> </ol>
SPI	Revised Annexes (September 18, 2024)	<p>Annex J</p> <p>2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this CSP.</p>	<p>Please confirm that Bidders are free to replace the word "Board Resolution No." to "Secretary's Certificate"</p>	<p>Confirmed.</p>
SPI	Revised Annexes (September 18, 2024)	<p>Annex L</p> <p>2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this CSP.</p>	<p>Please confirm that Bidders are free to replace the word "Board Resolution No." to "Secretary's Certificate"</p>	<p>Confirmed.</p>







SPI	Revised Annexes (September 18, 2024)	Annex M 2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this CSP.	Please confirm that Bidders are free to replace the word "Board Resolution No." to "Secretary's Certificate"	Confirmed.
GNPD	IB. Financial Bid	<p>For FOM:</p> $FOM_m = FOM \times \frac{PhCPI_m}{PhCPI_o} \times Q$ <p>Bid Form:</p> 	<p>FOM only moves with PH CPI. Can the bidder be allowed to have it moved with US CPI and FX just like the VOM?</p> <p>PELCO I Response: No</p> <p>GNPD: As reiterated during our comments during the last pre-bid conference. We would like to request a reconsideration allowing the FOM to be indexed to US CPI and FX. This will allow the plant to accurately reflect FOM costs instead of having to make additional adjustments to the bid.</p>	<p>The revised FOM formula is:</p> $FOM_m = \left[ FOM \left( k_1 \times \frac{USCPI_m}{USCPI_o} \times \frac{FX_m}{FX_o} + \left( k_2 \times \frac{PhCPI_m}{PhCPI_o} \right) \right) \right] \times Q_m$ <p>The FOM is divided into foreign and local components. The local components may be indexed with the PhCPI while the foreign component may be indexed with USCPI and Forex.</p> <p>Also, the VOM formula was revised as follows:</p> $VOM_m = \left[ VOM \left( k_3 \times \frac{USCPI_m}{USCPI_o} \times \frac{FX_m}{FX_o} + \left( k_4 \times \frac{PhCPI_m}{PhCPI_o} \right) \right) \right] \times Q_m$
GNPD	ANNEX C, T11	Annual Maintenance Schedule for 2024-2026 of the nominated plant/s submitted to NGCP	<p>May we clarify if this refers to only the (a) Three Year Maintenance plan submitted in 2023 (covering 2024-2026).</p> <p>Or if this refers to the (a) latest revised GOMP for 2024 (if any) and (b) copy of the Three Year Maintenance Plan submitted in 2023.</p>	It is a copy of the three-year maintenance plan submitted to NGCP in 2023, should be consistent with GOMP for 2024-2026.
GNPD	ITB Technical Bid 4c, ANNEX N	Plant Availability Factor ("PAF") formula in ITB Technical bid 4c considers a plant that has generated commercially for the entire year (ie. 8760hrs)	For bidders with units that received Commercial Operations Status in (a) middle of the year, and (b) middle of a billing period, is there a suggested formula for this.	<p>The general formula for Annual PAF is:</p> $PAF = \frac{Available\ Hours}{Period\ Hour} \times 100$

*[Handwritten signature]*



		c. The Plant Availability Factor (PAF) shall be computed as follows: <i>Availability Factor = 1 - <math>\frac{\text{Actual Outage (in Hours) 24 hours}{8,760 \text{ hours}}</math></i>	Is there a suggested PAF formula for plants with units that received commercial operations status in: a. The middle of the year b. The middle of the billing period	Where the definition for Available Hours and Period Hour are reflected in the revised IB.
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 and Certification from the Fuel Supplier certifying the veracity of the monthly values of the nominated Fuel prices/indices (CTC/Original)	Since bidders will be evaluated using the nominated fuel indices, we suggest removing this requirement, as it will not affect the evaluation. The resulting value of the fuel formula submitted by the bidders may differ from the actual fuel cost due to other factors the bidders will need to consider such as consumption rates. The BAC may require these documents during post-qualification to validate the bidders' fuel costs.	The bidder may nominate its NFCC as reflected in the revised Bid Form which will be binding in the PSA. However, the BAC requires the detailed fuel fee documentation from January to June 2024 to verify the fuel prices and their movement.
TLI	IB. Annex O. Bid Form	Non-fuel commodity costs (NFCC) is based on June 2024 actual	<ol style="list-style-type: none"> <li>1. Please confirm if the actual non-fuel commodity cost as of June 2024 is just for evaluation purposes.</li> <li>2. During contract implementation, will bidders be able to charge its actual non-fuel commodity cost for the respective months?</li> <li>3. If the actual non-fuel commodity costs are binding and will only fluctuate with US CPI and FX, we suggest not to use the June 2024. Instead, ask the bidders to indicate their committed non-fuel commodity costs, as the June 2024 may not capture all the potential non-fuel commodity costs that bidders could incur during the entire duration of the contract.</li> </ol>	<ol style="list-style-type: none"> <li>1. The bidder may nominate its NFCC as reflected in the revised Bid Form which will be binding in the PSA. However, the BAC requires the detailed fuel fee documentation from January to June 2024 to verify the fuel prices and their movement.</li> <li>2. The computed NFCC using the nominated values or actual NFCC, whichever is lower.</li> <li>3. The BAC requires the detailed fuel fee documentation from January to June 2024 to verify the fuel prices and their movement.</li> </ol>
TLI	IB. Annex C. Eligibility Requirements	T2 (g) Grid connection	This is not included in Annex I. Please confirm that this will be submitted separately.	Confirmed. This will serve as a separate document under T2.





TLI	IB. Annex C. Eligibility Requirements	T2 (h) Number and average duration of planned and unplanned outages for the last two (2) years or the actual outage data for new power plants operating for less than two (2) years. The 2022-2023 GCMR submitted to ERC will be used to validate these information.	For Nominated Plants with multiple units, please confirm that we will input the outages per unit.  No. and Ave. duration of planned outages Unit 1: No.: Ave.:  Unit 2: No.: Ave.:  No. and Ave. duration of unplanned outages Unit 1: No.: Ave.:  Unit 2: No.: Ave.:	Bidders shall input the outages per plant. The formula in calculating the total plant's outages is indicated in the updated IB.  The computation is applicable to all plants listed in Annex I.
TLI	IB. Annex F	...and residing at...	For data privacy purposes, we suggest removing this since the first item already requires the office address of the bidder.	Accepted.
TLI	IB. Annex H	II. List of PSAs with Regulated Customers	How should we treat regulated contracts that are not yet filed?	Executed/Signed PSAs with regulated customers, not yet filed with the ERC, are included in the list.
TLI	IB. Annex J	4. I hereby certify that [Name of Bidder] has secured and maintains valid insurance policies for the Nominated Power Plant covering the period from 2025 to 2034. The specific insurance policies taken for the Nominated Power Plant/s are as follows:	We request that TLI be allowed to revise the language, as TLI is only the IPP Administrator and the operator is responsible for the insurance.	Annex J has been revised.




TLI	IB. Technical Bid	ii) proposed outages for 2025-2034, which shall be binding on the Bidder during PSA implementation	Please confirm that this portion will be the input of the bidders for their outage allowance offer.	Confirmed.										
TLI	IB. Annex N	<table border="1"> <tr><td><b>CONTRACT PERIOD</b></td></tr> <tr><td><b>2025-2034</b></td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td>27.9</td></tr> <tr><td>16.8</td></tr> <tr><td><b>44.7</b></td></tr> <tr><td><b>87.75%</b></td></tr> <tr><td><b>87.75%</b></td></tr> <tr><td><b>FAIL</b></td></tr> </table>	<b>CONTRACT PERIOD</b>	<b>2025-2034</b>			27.9	16.8	<b>44.7</b>	<b>87.75%</b>	<b>87.75%</b>	<b>FAIL</b>	The result is 'FAIL' even though the input is in accordance with the ERC Resolution.	The Technical Bid Form II has been revised.
<b>CONTRACT PERIOD</b>														
<b>2025-2034</b>														
27.9														
16.8														
<b>44.7</b>														
<b>87.75%</b>														
<b>87.75%</b>														
<b>FAIL</b>														
TLI	IB. Annex C	List of electricity generation plants that the bidder has operated for the last five (5) years with the following minimum general information for each power plant: (Annex I) (Original)	<p>Suggest to revise to consider Nominated Plants under IPPA.</p> <p>List of electricity generation plants that the bidder has operated/maintained/administered for the last five (5) years with the following minimum general information for each power plant: (Annex I) (Original)</p>	Accepted.										
TLI	IB. Annex C	T4. Evidence of ownership of right, title or interest in the site/s such as land title or lease agreement with the land-owner of the site where nominated plant/s is/are located (i.e., Certificates of Title, Deed of Sale, Lease Agreements, or any other similar tenurial instruments)	Please confirm that we can submit Certificate of Non-Applicability for Nominated plants under IPPA since the required documents are not available with the IPPA.	The IPPA shall secure a copy from the owner/operator of the plant/s.										
TLI	IB. Annex K	Row 74	Row 74 captures the dependable capacity of Nominated Plant 1 (Row 21)	The formula was already adjusted in the final Technical Bid Form I.										
TLI	Supplemental Bulletin No. 2024-08	The Notarized Certificate of Available Capacity should be executed by the authorized representative of the operator of the nominated plant.	For IPPAs, suggest allowing the administrator to execute the Notarized Certificate of Available Capacity.	The owner/operator of the power plant shall execute the Certification.										




**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