



PAMPANGA I ELECTRIC COOPERATIVE, INC.
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February 09, 2025

INVITATION FOR DIRECT NEGOTIATION

Pursuant to the Department of Energy (DOE) Department Circular No. DC 2023-06-0021, the Energy Regulatory Commission (ERC) Resolution No. 16, Series of 2023, and the National Electrification Administration (NEA) Memorandum No. 2023-57, the PELCO I, through its Bids and Awards Committee (BAC), invites all interested and qualified Bidders to participate in this Direct Negotiation process for the procurement of 15MW Renewable Energy Peaking requirement thru Power Supply Agreement (PSA).

Bid requirements and other information may be obtained by reaching the BAC Secretariat at the above email addresses and contact numbers.

Schedule of Activities

Activity	Date, Time, and Place
Publication of Invitation for Negotiation	February 9, 2025 (Sunday) The Philippine Star
Submission of Proposals	February 17, 2025 (Monday) 10:00AM to 05:00PM PELCO I Main Office, Sto. Domingo, Mexico, Pampanga
Evaluation of Proposals	February 18 (Tuesday) to 28 (Friday), 2025
Notice of Award	March 3, 2025 (Monday)
Finalization of PSA	March 4 (Tuesday) to 13 (Thursday), 2025
Execution of PSA	April 2, 2025 (Wednesday)

Terms of Reference

Terms of Reference	Requirement												
Area/s to be Service	<input checked="" type="checkbox"/> On-Grid <input type="checkbox"/> Off-Grid <input type="checkbox"/> Both On and Off Grid												
Demand Requirement	15 MW _{ac} , Peaking												
Type of Contract	<input type="checkbox"/> Physical PSA <input type="checkbox"/> Financial PSA												
Pricing Structure	<input type="checkbox"/> Capacity-based PSA <input checked="" type="checkbox"/> Energy-based PSA												
Target Delivery Date	December 26, 2024 (as per approved P5PP 2024) or on the 26th day of the calendar month following the date of issuance of ERC Approval of at least Provisional Authority (PA) or Interim Relief (IR).												
Contract Term	120 billing periods (10 years), commencing from the delivery date												
Contract Capacity, Contract Energy and Source of Power	<ul style="list-style-type: none"> 15 MW_{ac} 24,893,420 kWh annually Any Renewable Energy power plant(s) capable of supplying the contract capacity and contract energy 												
Tariff Structure	Tariff component, unbundled to: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Tariff component</th> <th>Unit</th> <th>Indexation</th> </tr> </thead> <tbody> <tr> <td>a. Capital Recovery Fee (CRF)</td> <td>Php/kWh</td> <td>No indexation/escalation</td> </tr> <tr> <td>b. Fixed O&M (FOM)</td> <td>Php/kWh</td> <td>PhCPI</td> </tr> <tr> <td>c. Variable O&M (VOM)</td> <td>Php/kWh</td> <td>PhCPI</td> </tr> </tbody> </table>	Tariff component	Unit	Indexation	a. Capital Recovery Fee (CRF)	Php/kWh	No indexation/escalation	b. Fixed O&M (FOM)	Php/kWh	PhCPI	c. Variable O&M (VOM)	Php/kWh	PhCPI
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Outage Allowance (OA)	<ul style="list-style-type: none"> The annual OA shall not exceed 10 Days for Planned Outages and 10 Days for Unplanned Outages, unless otherwise specified by subsequent order/s issued by the ERC. No carry-over of OA to any subsequent contract year. No crediting of OA from scheduled to unscheduled and vice versa. 												
Force Majeure (FM)	Should be in accordance with prevailing DOE and ERC issuances												
Replacement Power (RP)	<ul style="list-style-type: none"> Within the Allowed Outage. PELCO I shall source RP from other suppliers or from the WESM, at its own expense. Beyond the Allowed Outage. Winning Bidder shall supply PELCO I with RP at the ERC-approved contract rate or actual cost, whichever is lower. Failure of Winning Bidder to supply RP, PELCO I shall be allowed to source the RP from the other suppliers or from the WESM, at the expense of Winning Bidder. Provided further, that the rates to be charged by Winning Bidder to PELCO I for the procurement of RP shall be the ERC-approved contract rate or actual cost, whichever is lower. 												
Form of Payment	Cash, Check or Bank Transfer												
Penalty Provisions	<ul style="list-style-type: none"> If Winning Bidder fails to deliver contract capacity (nominated plant or RP) on the delivery date, it shall pay PELCO I the amount of Php 908 per MW per hour: Provided, that the provision of RP should not exceed six (6) continuous billing periods. If either of the Parties failed to perform its obligation in accordance with the contract leading to its pre-termination, the defaulting party shall pay the liquidated damages computed as follows: <i>Liquidated Damages (Php) = 24,893,420 kWh x Bid Price (Php/kWh) (December 2024)</i> 												
Reduction in Contract Capacity	<ul style="list-style-type: none"> Capacity Reduction in accordance with RCOA, GEOP, DER and RAP Guidelines PELCO I, at any billing period, shall be entitled to a reduction in the contract capacity and/or contract energy equivalent to the average of the past twelve (12)-month demand and/or energy of its retail customer(s) who opted to switch in the retail market Percentage reduction is prorated to the actual delivered energy of each power supplier if the Retail Electricity Supplier (RES) of the retail customer is not affiliated with any of PELCO I's existing power suppliers Reduction is directly applied to the power supplier if the RES of the retail customer is affiliated with that specific power supplier 												
Prompt Payment Discount	Three percent (3%) of the CRF + FOM + VOM												
Performance Security (PS)	Three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Winning Bidder, as follows: $PS = 3 \times 2,074,452 \times Bid Price (December 2024)$												
Eligibility Requirements	<ul style="list-style-type: none"> Corporation, Partnership, Joint Venture or Consortium duly organized under the Philippine law; Owner, operator, manager, controller or administrator of any existing and operational power plant(s) in the Philippines; The Bidder or its parent company must have Unrestricted Net Worth ("UNW") of at least 30% of the equivalent one (1) year contract cost of the PSA; Technically capable of supplying the contract capacity; 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; and The Bidder is not "blacklisted" pursuant to Section 38, Article IX of the ERC Resolution No. 16, Series of 2023. 												
Nomination Protocol	PELCO I may revise any nominations: (a) in accordance with the WESM rules and operating procedure; or (b) due to its unscheduled outages												
Line Rental	<ul style="list-style-type: none"> Delivery point shall be at the market trading node of PELCO I; Bidder must provide Line Rental Cap (Php/kWh) which will be used during evaluation and PSA implementation; and PELCO I shall pay line rental cap or actual, whichever is lower 												
Grounds for Termination	<ul style="list-style-type: none"> Events of Default of either party such as but not limited to bankruptcy or any breach of material obligation in the contract; Expiration of Term; Non-occurrence of delivery date; or Unpaid financial obligation of PELCO I when due within any applicable grace period. 												
Pre-termination of the PSA	Pre-termination of the PSA shall be subject to the approval of the ERC.												

Bids and Awards Committee (BAC)

By:

Noted by:

(Sgd.) ENGR. OLIVER S. VERGARA
BAC Chairperson

(Sgd.) ENGR. ALLAN E. DAVID
General Manager