



BID BULLETIN NO. 2024-01
27 November 2024

In relation to the discussions held during the pre-bid conference on November 15, 2024, the Bids and Awards Committee for the Competitive Selection Process (BAC-CSP) of ZAMCELCO hereby issues the following clarifications:

ITEM NO.	REFERENCE/ DOCUMENT AND SECTION	PROVISION	BIDDER'S CLARIFICATION/QUESTIONS/SUGGESTIONS	ZAMCELCO'S REPLIES/CLARIFICATIONS
1.	I. Instruction to Bidders 1.2.1 and 1.2.2	The Zamboanga City Electric Cooperative, Inc. (ZAMCELCO, INC.), through its Bids and Awards Committee-Competitive Selection Process (BAC-CSP), is inviting interested power generators to submit bids for the supply of 85 MW baseload power requirement for a period of ten (10) years.	<p>(1) The supply is only for 85MW baseload but the projected demand for the next 10 years is more than 85MW, where does ZAMCELCO intend to get the rest of its demand?</p> <p>(2) Seemingly the peak demand exceeds the 85MW requirement, does ZAMCELCO has any existing agreement with other Gencos and how much capacity for each supply contract? Currently, how much capacity is ZAMCELCO sourcing from WESM?</p>	<p>The power supply requirements for the next ten (10) years will be addressed with future CSP biddings.</p> <p>At present, ZAMCELCO has two active power supply agreements: a Contract for the Supply of Electric Energy (CSEE) with PSALM, providing an average of 20-30 MW, and an Emergency Power Supply Agreement (EPSA) with MPI, supplying 85 MW. The remaining power requirements are sourced from the Wholesale Electricity Spot Market (WESM).</p>



		<table border="1"> <thead> <tr> <th>Year</th> <th>Projected Demand (MW)</th> </tr> </thead> <tbody> <tr><td>2024</td><td>140.37</td></tr> <tr><td>2025</td><td>147.62</td></tr> <tr><td>2026</td><td>155.29</td></tr> <tr><td>2027</td><td>163.37</td></tr> <tr><td>2028</td><td>177.45</td></tr> <tr><td>2029</td><td>191.50</td></tr> <tr><td>2030</td><td>208.32</td></tr> <tr><td>2031</td><td>227.48</td></tr> <tr><td>2032</td><td>249.37</td></tr> <tr><td>2033</td><td>274.16</td></tr> <tr><td>2034</td><td>302.05</td></tr> </tbody> </table>	Year	Projected Demand (MW)	2024	140.37	2025	147.62	2026	155.29	2027	163.37	2028	177.45	2029	191.50	2030	208.32	2031	227.48	2032	249.37	2033	274.16	2034	302.05		ZAMCELCO's current supply deficit, which averages approximately 7.6 MW, is also being covered by WESM
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2.	<p>1. Instruction to Bidders</p> <p>1.4 Definition of Terms</p>		Please clarify what "Baseload Supply" mean.	Baseload refers to the minimum level of consistent, continuous power demand that a utility must supply over a 24-hour period.																								
3.	<p>1. Instruction to Bidders</p> <p>1.5 Transaction Schedule</p>	<table border="1"> <tr> <td>Availability of the Bidding Documents</td> <td>October 28, 2024 to December 18, 2024, from 9:00 AM- 5:00 PM, until December 19, 2024, 9:00 AM, ZAMCELCO Main Office, MCLL Highway, Putik, Zamboanga City</td> </tr> <tr> <td>Conduct of Pre-Bid Conference</td> <td>Friday, November 15, 2024, 10:00 AM</td> </tr> <tr> <td>Issuance of Bid Bulletin</td> <td>November 18 to December 3, 2024</td> </tr> <tr> <td>Submission of Bids</td> <td>Thursday, December 19, 2024, Deadline at 9:00 AM</td> </tr> </table>	Availability of the Bidding Documents	October 28, 2024 to December 18, 2024, from 9:00 AM- 5:00 PM, until December 19, 2024, 9:00 AM, ZAMCELCO Main Office, MCLL Highway, Putik, Zamboanga City	Conduct of Pre-Bid Conference	Friday, November 15, 2024, 10:00 AM	Issuance of Bid Bulletin	November 18 to December 3, 2024	Submission of Bids	Thursday, December 19, 2024, Deadline at 9:00 AM	(1) Can you give interested Bidders the rationale for making the Bidding documents still available up to 9:00am on December 19, 2024 when the Submission of Bids is up to the same date and time? How can an interested Bidder prepare its Bid Documents for submission on the same date and time when it/they shall be	The rationale behind making the bidding documents available up to 9 a.m. on December 19, 2024, is to ensure that, as a public bidding process, all interested power suppliers have equal opportunity to access the bid documents up until																
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			<p>purchasing initially the Bidding Documents?</p> <p>(2) When does ZAMCELCO plan to issue final ITB and other final versions of other Bid Docs prior to Bid Submission date?</p>	<p>the final moment. While we understand that it is challenging for a bidder to purchase and prepare their bid documents on the same date and time, we trust that bidders will exercise due diligence in managing their time to meet the deadlines. It is ultimately at the discretion of each bidder to obtain the documents and submit their bid offer as they deem appropriate.</p> <p>Additionally, as per our approved transaction schedule, the final Invitation to Bid (ITB) and other final versions of the bid documents will be issued on or before December 4, 2024 unless there will be an adjustment on the transaction schedule which the bidders will be duly notified through bid bulletin. This should provide sufficient time for bidders to review and prepare their submissions in advance of the deadline.</p>
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4.	I. Instruction to Bidders 3.1.1(a)	Bidders should provide evidence that it is the Owner and/or Operator of the Source Power Plant and that the Source Power Plant has sufficient available capacity, or able to reserve, commit and deliver the baseload capacity to supply on the Effective Date and for the term of the PSA;	What kind of document(s) should be submitted for this? Will the COC or PAO be sufficient?	Yes, the COC (Certificate of Compliance, along with Annex A and Annex B) or PAO (Provisional Authority to Operate) are acceptable as evidence of ownership. However, as stated in the ITB, you are required to submit certified true copies of these documents. Additionally, we request that bidders submit the Generation Company Management Report (GCMR) & Generation Company Information Sheet (GCIS) as required under "Other Terms and Conditions" in Annex B Technical Bid Form, which is regularly submitted to the ERC. This report should indicate the latest Plant capacity factor and operational hours, which will help verify the availability and performance of your power supply.
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5.	I. Instruction to Bidders 3.1.1(d)	Bidders must have the following appendices or list of: <ul style="list-style-type: none">• Technical capability/qualification of technical staff and organization structure;• The supplier shall have available capacity on or before the COD;• Experience and technical capability/qualification of Management Team comprising the firm.	What kind of document(s) should be submitted for this? Will the COC or PAO be sufficient?	Please refer to Instruction to Bidders 3.1.1(d) Bidders must have the following appendices or list of: <ul style="list-style-type: none">• Technical capability/qualification of technical staff and organization structure;• The supplier shall have available capacity on or before the COD; Experience and technical capability/qualification of Management Team comprising the firm.
6.	I. Instruction to Bidders 4.5.4	Bid Security in a form should be equivalent to an amount computed using the LCOE (PhP/kWh) and calculated by the following formula: Bid Security = (Baseload Capacity x 24 hours x 90 days x Php /kWh x 100%)	Can the given formula be provided in the Bid Evaluation Form in Excel to be provided to Bidders in among others, determination of the LCOE?	We will include it in the LCOE template in excel format.



		= PhP _____		
7.	I. Instruction to Bidders 5.2 Modification and Withdrawal of Bids	5.2.1 The Bidder may modify its Bid after it has been submitted, provided that the modification is received by ZAMCELCO BAC-CSP prior to the deadline of submission of bids. The Bidder shall not be allowed to retrieve its original Bid but shall be allowed to submit another Bid equally sealed and properly identified, marked as "ELIGIBILITY REQUIREMENT MODIFICATION", "TECHNICAL MODIFICATION", "FINANCIAL MODIFICATION" or "BID SECURITY MODIFICATION" and stamped "received" by ZAMCELCO BAC-CSP. Bid modifications received after the deadline of submission of bids shall not be considered and shall be returned to the concerned Bidders unopened.	If the Bidder plans to submit a modification in its Bid Proposal that would not require any change in all envelopes, does it have to submit all envelopes or just the envelope wherein the proposed modification will appear? Meaning the sealed box may be opened and replace the specific envelope which shall be modified?	If a bidder wishes to submit a modification to its Bid Proposal, even if the modification does not require changes to all envelopes, the bidder is still required to resubmit all the envelopes in the bid package. The modified bid should be clearly marked as a "modified bid" to distinguish it from the original submission. This procedure ensures clarity and consistency, as outlined in the Invitation to Bid (ITB). The resubmission of all envelopes, including the modified one, allows the procuring entity to properly evaluate the entire bid in its updated form and prevents any confusion regarding which parts of the bid have been altered.
8.	I. Instruction to Bidders	5.2.2 A Bidder may, through a Letter of Withdrawal, withdraw its Bid after it	What are the justifiable, acceptable and valid reasons that may be accepted by ZAMCELCO	ZAMCELCO may accept the





5.2 Modification and Withdrawal of Bids		has been submitted for valid and justifiable reasons, provided that the Letter of Withdrawal is received by ZAMCELCO BAC-CSP prior to the deadline of submission of bids. The Letter of Withdrawal must be executed by the authorized representative of the Bidder identified in the Omnibus Sworn Statement, a copy of which should be attached to the letter.	in the case of withdrawal of bid?	withdrawal of a bid for several justifiable, acceptable, and valid reasons. Some examples include: 1.Change in Circumstances: If a bidder faces unexpected changes that affect their ability to fulfill the bid requirements, such as the unavailability of necessary resources or capacity. 2.Unavailability of Capacity: If, after submitting the bid, the bidder wins another bidding process and their capacity is no longer sufficient to fulfill both commitments, this would be an acceptable reason for withdrawal. 3.Inability to Meet Technical Specifications: If, after further review, the bidder finds that they can no longer meet the technical specifications or requirements
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				<p>outlined in the terms of reference, this may justify a withdrawal.</p> <p>In all cases, the bidder must provide clear and valid reasons for the withdrawal, in accordance with the rules and procedures set forth by ZAMCELCO.</p>
9.	<p>I. Instruction to Bidders</p> <p>Bid Evaluation Methodology</p> <p>6.1 Bid Evaluation Stages, Tied Bids and Post Qualification</p> <p>6.1 Stage 3 (a)</p>	<p>Before the opening of the Financial Proposal, the Bid Security shall be validated first. Once passed, the Financial Proposal shall be opened to determine the LCB. After determining the LCB, the ZAMCELCO BAC-CSP will compute the amount of the Bid Security which is equivalent to the three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the bidder. If forfeited, the Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.</p>	<p>(1) Under what instance can a Bidder submit a Bid Security in Foreign Denomination when the required price instruction is in pesos?</p> <p>(2) What aspect of the Bid Security which ZAMCELCO intends to validate without opening the Financial Proposal where the Bidder's LCOE can be found?</p>	<p>In case the Bid Security is issued by an international bank, <u>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.</u> The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.</p> <p>Bid Security shall be evaluated as to conformity with the form</p>





				required, if it is issued in favor of ZAMCELCO, if it provides for a contact person and address, telephone number, and facsimile of the issuing bank for notification and demand, validity of the bid security and if it is not materially defective.
10.	I. Instruction to Bidders 6. Bid Evaluation Methodology 6.1 Bid Evaluation Stages, Tied Bids and Post Qualification 6.1 Stage 3 (c) iii	The total bid prices shall be calculated and ranked from the lowest to the highest. The bid with the lowest price shall be identified as the LCB.	Please provide a Bid Evaluation Template in Excel Format for the use of all Bidders.	All Bidders shall be provided with the LCOE Template in excel format.
11.	I. Instruction to Bidders 7.2 Performance Bond	7.2.1 To guarantee the faithful performance by the Winning Bidder of its obligations under the PSA, it shall post a Performance Bond within a maximum period of ten (10) calendar	Clarification on the computation of the Performance Bond based on the three-month contract cost.	The formula of the Performance Bond: PB = Baseload Capacity x 24 hours x 90 days x P/kwh (effective





		days from the execution of the contract, equivalent to the three (3) month contract cost of the proposed PSA computed using the bid price offered by the winning bidder and submit the Form and Amount of Performance Security and Warranty (ANNEX F).		rate for 1st year) x 100%
12.	I. Instruction to Bidders 7.3 Signing of the Power Supply Agreement	7.3.2 The following documents shall form part of the PSA: (a) Bidding Documents (b) The Winning Bidder's Bid and all other documents submitted (c) Performance Bond (d) Notice of Award of PSA	What is the relevance on the inclusion of the stated documents with the final PSA?	The inclusion of the stated documents is essential because they ensure that the terms agreed upon during the bidding process are upheld, protecting both ZAMCELCO and the other party. These documents help minimize misunderstandings and disputes. Furthermore, NEA Memorandum No. 2023-057 requires that the Terms of Reference (TOR), as a bidding document, form part of the PSA. In case of any conflict between the TOR and PSA, the TOR will prevail. However, per ERC and NEA guidelines, the BAC has the



				discretion to include only the TOR and exclude all other bidding documents. In our case, the Committee chose to include only the TOR.
13.	Annex A I. Eligibility requirements (f) Technical Capability Information	ii) List of electricity generation plants that the bidder has operated for the last five (5) years; and (iii) Proof of Documentation on track record for the last five (5) years of power plants operated by it.	What kind of document(s) should be submitted for this?	For the documents to be submitted, as outlined in the Terms of Reference (TOR), the bidder must provide a generation portfolio matrix, supported by copies of their Certificates of Compliance (COCs), along with its Annexes A and B issued by the ERC. Additionally, bidders must submit the Generation Company Management Report (GCMR) and the Generation Company Information Sheet (GCIS). The matrix should enumerate the electricity generation, and the supporting documents must include the COCs for each power plant and the required GCMR and GCIS.



14.	<p>III. TERM OF REFERENCE</p> <p>Contract Term</p>	<p>In the event of non-renewal of the franchise of ZAMCELCO upon its expiration, the existing power supply agreement (PSA) shall continue to take effect for a transitional period of one (1) year. However, its successors-in-interest shall be allowed to terminate the existing agreement earlier and enter into a new power supply agreement unless specified otherwise by Congress.</p>	<p>(1) Given that the expiration of franchise is on April 2028 (50 years from April 1978), which is way before the end of the Contract Term 2035, we highly suggest to include in the Assignment document(s) that the successors-in-interest should honor and continue the purchase commitment and all other obligations of ZAMCELCO in the PSA duly approved by the Energy Regulatory Commission, until the end of the Contract Term.</p>	<p>The Committee will change this provision in accordance with the NEA Regulatory Advisory No. 2021-003, as follows:</p> <p>In the event of non-renewal of the franchise of ZAMCELCO upon its expiration, the existing power supply agreement (PSA) shall continue to take effect. However, in accordance with the NEA Regulatory Advisory No. 2021-003 and subject to the rules imposed by Congress, this agreement shall remain binding on the successors-in-interest and will continue unless otherwise specified by Congress.</p>
15.	<p>III. TERM OF REFERENCE</p> <p>Target Delivery Date</p>	<p>26th day of July 2025; or the next immediate 26th day of the month following the approval of ERC, whether provisional or final.</p>	<p>We suggest to include "interim relief" as one of the ERC Approval options. We further suggest to include in Schedule 1 of the PSA a definition for the term "ERC Approval" which shall mention provisional approval, interim relief, or final.</p>	<p>Accepted</p>



16.	<p>III. TERM OF REFERENCE</p> <p>For Capacity-based PSA</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Capacity Requirement</th> </tr> </thead> <tbody> <tr><td>Year 1</td><td>85 MW</td></tr> <tr><td>Year 2</td><td>85 MW</td></tr> <tr><td>Year 3</td><td>85 MW</td></tr> <tr><td>Year 4</td><td>85 MW</td></tr> <tr><td>Year 5</td><td>85 MW</td></tr> <tr><td>Year 6</td><td>85 MW</td></tr> <tr><td>Year 7</td><td>85 MW</td></tr> <tr><td>Year 8</td><td>85 MW</td></tr> <tr><td>Year 9</td><td>85 MW</td></tr> <tr><td>Year 10</td><td>85 MW</td></tr> </tbody> </table>	Year	Capacity Requirement	Year 1	85 MW	Year 2	85 MW	Year 3	85 MW	Year 4	85 MW	Year 5	85 MW	Year 6	85 MW	Year 7	85 MW	Year 8	85 MW	Year 9	85 MW	Year 10	85 MW	<p>(1) Can a Bidder offer to supply a capacity lower than 85MW or should it be exactly 85MW?</p> <p>(2) Will the contract capacity under the PSA be under a take or pay basis as applied to the CRF and FOM expressed in Php/kw-month?</p>	<p>(1) No. The supply of capacity should be at 85MW.</p> <p>(2) The CRF and FOM expressed in Php/kW-Month shall be under a take or pay basis.</p>
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17.	<p>III. TERM OF REFERENCE</p> <p>Tariff Structure</p>	<p>>Fixed Operation and Maintenance Fee-(Php/kw-month)</p> <p>a.) Bidder shall provide the offered base rate;</p> <p>b.) It will be adjusted using the bidder adjustment formula and the provided indices by ZAMCELCO for CPIs and exchange rate.</p> <p>>Variable Operation and Maintenance Fee (Php/kWh)</p> <p>a.) Bidder shall provide the offered base rate;</p> <p>b.) It will be adjusted using the bidder adjustment formula and the provided indices by ZAMCELCO for CPIs and exchange rate.</p>	<p>(1) Please provide the required "base indices" such as the Consumer Price indices ("CPI"), foreign exchange rates ("FX"), fuel cost-related index such as NewCastle, Natural Gas, etc., for the uniform use of all interested Bidder in setting up their base tariffs/rates.</p> <p>(2) Please provide also the forecasted levels of these indices over the 10-year period as basis for the calculation of the LCOE.</p> <p>(3) Kindly explain the term "actual market price" as</p>	<p>(1) The "base indices" for Philippine CPIs and foreign exchange rate (PhP to USD) and USCPIs are provided in the Bid Evaluation template for computation of LCOE.</p> <p>For fuel index such as New Castle, Natural Gas, etc. and for uniform application in setting up the base tariffs/rates, the bidder shall use the indices for October 2024 power billing to its existing consumer.</p>																						





			basis for pass-on fuel charge.	<p>Relative to this we will request the bidder to provide the BAC CSP copy of the October 2024 Power Bill for our validation of the indices used.</p> <p>(2) The CPIs, PhP to USD exchange rate, and USCPIs forecasted level will be provided over the 10-year period to be used in the calculation of the FOMF and VOMF as basis for LCOE calculation.</p> <p>For Fuel fee, the base rate will be forecasted using 3% inflation over the 10-year period to be used in LCOE.</p> <p>(3) Actual market price is the current market price for the billing month.</p>
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18.	III. TERM OF REFERENCE Outage Allowances per Plant	<p>➤The Bidder must reflect the indicative breakdown of Scheduled and Unscheduled Outages.</p> <p>➤ Scheduled Outages: not more than the average number of days allowed of the particular technology in Annex A of ERC Resolution No. 10, Series of 2020, for each Contract Year during which times reduced or no deliveries will be available to the Buyer.</p> <p>➤ Unscheduled Outages: not more than the average number of days allowed of the particular technology in Annex A of ERC Resolution No. 10, Series of 2020, for each Contract Year during which times reduced or no deliveries will be available to the Buyer.</p> <p>➤ Any unutilized Allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the</p>	Considering that the intent of this CSP to for the Winning Bidder to guarantee the supply of 85MW capacity and energy to ZAMCELCO even during Scheduled and Unscheduled outages of its Nominated Plant over the Contract Term of 10 years, may we suggest to delete already bullet numbers 1, 4, 5 and 6 and simply retain bullet numbers 2 and 3	In response to this query, bullets 1, 4, 5, and 6 are mechanisms that allow ZAMCELCO to effectively monitor scheduled and unscheduled plant outages. These provisions are essential for managing outage allowances per plant; therefore, we will retain them as part of the requirements.





		<p>succeeding years of the cooperation period.</p> <p>➤ For planned outages at least two (2) weeks advance notice before the day of the outage.</p> <p>➤ For unplanned outages, the Power Provider shall inform immediately ZAMCELCO on the time interval that outage occurred.</p>		
19.	<p>III. TERM OF REFERENCE</p> <p>Force Majeure</p>	<p>➤ The affected party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA (including any obligation of the Member EC to pay the generation charge for the duration of the Force Majeure event) for so long as the failure to perform such an obligation shall be due to an Event of Force Majeure.</p>	<p>We suggest to delete the phrase "including any obligation of the Member EC to pay the generation charge for the duration of the Fore Majeure event" considering that this Competitive Selection Process or "CSP" is only for ZAMCELCO and is not an aggregation of capacities with other distribution utilities</p>	<p>The following provision in the TOR shall be rephrased as follows:</p> <p>The affected party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA for so long as the failure to perform such an obligation shall be due to an Event of Force Majeure.</p>
20.	<p>III. TERM OF REFERENCE</p> <p>Preferred Plant, if</p>	<p>➤ The proposed Power Plant should be located within the Mindanao Grid and it shall be</p>	<p>(1) Kindly define the term "Commercial Operations Date or COD" as contemplated in</p>	<p>It should be a delay in the "delivery date" rather than the</p>



	applicable Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations	existing. ➤The Supplier shall be penalized (monetary, etc.) in cases of the following events and circumstances: Delay in COD;	this provision of the TOR. (2) There seems to be an inconsistency in these two (2) provisions of the TOR	commercial operations date.
21.	III. TERM OF REFERENCE Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations	The Supplier shall be penalized (monetary, etc.) in cases of the following events and circumstances: • Delay in COD; • Failure of delivery of power; and • Failure of provision of replacement power.	(1) The Supplier shall be penalized in the said cases and circumstances only if the circumstances happened because of the Supplier's fault. (2) What will be the mechanism of the penalty and how much will be the amount of penalty?	Liquidated damages in case of default shall be 1/10 of 1% of the total power cost for the period per day that the defaulting Party continues with the default and shall be paid within twenty (20) calendar days after written demand for payment.
22.	III. TERM OF REFERENCE	➤If a Party is prevented from the performance of the obligations on account of an extended	(1) How many continuous calendar days shall be considered as "extended event of Force	1.) The number of continuous calendar days constituting



	Grounds for Termination of Contract	event of Force Majeure, subject to the approval of the ERC;	<p>Majeure"?</p> <p>(2) Can the TOR consider an extension of the Contract Term equivalent to the accumulated duration of the Force Majeure events?</p> <p>(3) Will there be a "timeline" being contemplated regarding the "actual termination" of the PSA should it be subjected to an ERC approval? Meantime, what would remain as obligations of either Party while awaiting ERC Approval?</p> <p>Kindly provide further elaboration on this?</p> <p>We highly suggest to include "Events of Default by Buyer" as among the basis for Supplier to terminate the Agreement to make this provision reciprocal and fair</p>	<p>an "extended event of Force Majeure" cannot be definitively determined in advance, as it will depend on the declarations issued by relevant government agencies. For example, in the case of a typhoon, the City Disaster Management's declaration will set the duration, while in the case of war, declarations from the AFP and PNP will determine the period. Therefore, the exact duration of the extended event will be contingent on these declarations.</p> <p>2.) The contract term remains fixed at 10 years, and any adjustments made due to Force Majeure events are merely to account for the time lost during such</p>
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		<ul style="list-style-type: none">•By the Buyer, if the Seller fails to remedy a Seller Event of Force Majeure; or•By the Seller, if the Buyer fails to remedy a Buyer Event of Force Majeure. ➤The Supplier may terminate the Agreement by written notice to the Buyer/Off-taker when the Buyer/Off-taker, subject to the approval of the ERC: •Discontinue operations; or•Declares bankruptcy		<p>events. These adjustments are subject to approval by the Energy Regulatory Commission (ERC), but they do not alter the overall 10-year term of the contract.</p> <p>3.) The timeline for the "actual termination" of the PSA, if it is subject to ERC approval, will depend on the specific circumstances and the ERC's decision-making process. While awaiting ERC approval, both parties will still be bound by their obligations under the PSA. This means that any ongoing duties or responsibilities (such as payment obligations, performance requirements, or other terms outlined in</p>
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				<p>the agreement) must continue to be fulfilled until the ERC provides its final ruling or approval.</p> <p><input type="checkbox"/> By the Buyer, if the Seller fails to remedy a Seller Event of Force Majeure: If a Force Majeure event occurs that affects the Seller's ability to deliver power, the Seller is typically given a certain period to remedy or address the issue. If the Seller fails to resolve or mitigate the event within that time frame, the Buyer has the right to terminate the contract.</p> <p><input type="checkbox"/> By the Seller, if the Buyer fails to remedy a Buyer Event of Force Majeure: Similarly, if a Force Majeure event</p>
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				occurs that impacts the Buyer's ability to perform their obligations (e.g., failure to make payments) the Buyer is expected to address or resolve the issue within a certain time. If the Buyer fails to remedy the situation, the Seller may have the right to terminate the contract.
23.	III. TERM OF REFERENCE Source of Power	> Open Technology	Please clarify the "open technology" does not mean the inclusion of Renewable Energy ("RE") sources particularly wind, solar, hydro, biomass and other RE source that cannot generate electricity or may have limitation to generate electricity over a 24/7 daily basis or baseload supply	When we refer to "open technology," it includes both conventional and renewable energy sources. However, for renewable sources to qualify, they must be capable of providing 24/7 baseload supply.
24.	III. TERM OF REFERENCE Prompt Payment Discount	> Prompt Payment Discount, Collection Efficiency Discount, and other discounts, if any.	(1) Is the offering of a Prompt Payment Discount or other forms of discount "optional" on the part of the Bidder? (2) If YES, will the same be considered in the evaluation of the Bid Price to determine the Winning Bidder?	(1) During the Pre-Bid Conference we stated that it is as an optional, however, per our review and upon referring it to the



				<p>management, the Prompt Payment Discount and Collection Efficiency Discount <u>are not optional</u> but is required to be provided by the Bidder in the Financial Bid Form. Other discounts are optional.</p> <p>(2) The PPD and CED will not be considered in the evaluation of the Bid Price however, it will be evaluated as either pass or fail in the Financial Bid Form.</p>
25.	PSA 3.3 Delivery Date	The Seller shall commence delivery of Contract Capacity to Buyer on Delivery Date. The Delivery Date shall be a date, after Effective Date, reckoned from 26th of October 2024 or the next immediate 26th day of the	(1) What is the 26th of October all about, since the delivery date requires ERC approval, and is in consisted with the transaction schedule? The provision should be revised to "The Seller shall commence delivery date on the 26th day	We will adopt the provision, as the Terms of Reference (TOR) should always prevail over the PSA. Therefore, the Target



		month following the approval of ERC whether provisional or final, as applicable, whichever comes later.	of the month immediately following the approval of the ERC whether said approval is by way of interim relief, provisional approval or final decision." (2) In the Draft PSA, it is stated that the Delivery Date shall be the 26th of October 2024, but in the Target Delivery Date in the TOR it is the 26th of July 2025. Please clarify the Target Delivery Date and which shall prevail between the two.	Delivery Date stated in the TOR, which is July 26, 2025, will take precedence over the October 26, 2024 date mentioned in the Draft PSA.
26.	PSA		Please be consisted with the terminology - use Seller instead of Supplier.	Suggestion is accepted.
27.	PSA	4.3 Reduction of Contract Capacity	Any reduction of contract capacity owing to RCOA, GEOP, RPS, Net Metering Programs, and other similar government programs should be "pro-rated" among all the power suppliers.	Under the Electric Power Industry Reform Act (EPIRA), specifically Section 45, Distribution Utilities like ZAMCELCO are mandated to procure electricity at the least cost to consumers. While the suggestion to "pro-rate" reductions in contract capacity due to government



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				<p>programs such as RCOA, GEOP, RPS, and Net Metering is noted, ZAMCELCO's primary goal is to avoid reducing the contract capacity of a bilateral contract with a lower rate in a manner that could increase the blended rate. Instead, ZAMCELCO will focus on adjusting its procurement strategies to ensure that electricity rates remain affordable, in accordance with EPIRA's requirement to secure cost-effective power procurement.</p> <p>On the other hand, it may be prudent to consider incorporating a procedure for the reduction of contracted capacity into the PSA. This could provide a</p>
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				more structured approach when a reevaluation of capacity requirement is necessary.
28.	PSA 4.SUPPLY OF ENERGY 4.4 Schedule Outages	4.4.2 At least fourteen (14) Days prior to the Scheduled Commercial Operations Date, and [] Months prior to the commencement of each year after the year in which the Scheduled Commercial Operation Date occurs, Buyer shall notify the Seller in writing whether the requested Scheduled Outage periods are acceptable. If Buyer cannot accept any of the requested Scheduled Outage periods, Buyer shall advise the Seller of a period when Buyer determines such unacceptable Scheduled Outage period can be rescheduled. Such rescheduled period shall be as close as reasonably practicable to the requested period, shall comply with the Minimum Functional Specifications indicated in Schedule 3, and shall be of equal duration as the requested period. The Seller shall conduct Scheduled Outages only during periods agreed to in writing by Buyer as aforesaid. The outage periods shall be subject to the approval	The schedule of planned outages is subject to the approval of the NGCP	This is duly noted. However, the Seller shall provide the buyer with an official document outlining the approved annual planned outages.





			requirements under DOE guidelines and ERC rules and regulations.	
29.	PSA 4.SUPPLY ENERGY	OF	4.7 Transmission Interconnection	<p>Do we need to submit copies of the Transmission Service Agreement and Connection agreement, and if yes, can the duly authorized representative certify them as true copies?</p> <p>Yes, you may submit copies of the Transmission Service Agreement and Connection Agreement for our verification of its effectivity. These documents can be certified as true copies by your company's corporate secretary or authorized representative, provided a copy of Special Power of Attorney (SPA) will be presented or such other documents proving authority to represent the bidder.</p>
30.	PSA 5. COMPENSATION, PAYMENT AND BILLING		Further, Seller shall bear all costs of such	<p>Please clarify this provision.</p> <p>As amended in the different DOE Department Circulars to the WESM Rules and Market Manuals for the Implementation of Enhancements to WESM</p>



5.1 Payment of Fees	transmission service, from the Delivery Point up to the Receiving Point including the cost of any electric losses incurred in such transmission.		<p>Design and Operations. These are as follows:</p> <p>Clause 3.2.2.1 under Market Trading Nodes is amended to read as — "3.2.2.1 A market trading node is a designated point in the market network model where energy is bought or sold based on the prices determined by the market dispatch optimization model." (DOE DC2018-05-0015)</p> <p>Clause 3.13.1.1 under Submission of Bilateral Contract Data for Energy is amended to read as — "(b) Identify the market trading node associated with the bilateral contract quantity submitted; provided, however, that in case the</p>
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				participant. (DOE DC2017-03-0001) Respectively, as specified in both the Terms of Reference and the draft PSA, all line rental and congestion charges in the delivery of power supply shall be for the account of the Seller.
31.	PSA 9. ASSIGNMENT OF RIGHTS		There is no need for ERC approval as long as the assignee agrees to comply with all the requirements and obligations under the PSA, and there is no change impact on the Buyer in terms of the rates.	As required by the rules, ERC approval is necessary for the assignment of the PSA, regardless of the assignee's agreement to comply with the terms and obligations under the agreement. Even if there is no change in the impact on the Buyer, particularly with respect to the rates, ERC approval is still a requirement for the assignment to be valid.



32.	PSA 11. MISCELLANEOUS PROVISION	11.1 Variations in writing	The variation should require ERC approval only if the changes have an impact on the rates. For example, there is no need for ERC approval for a change in a party's contact details.	As per the requirements, ERC approval is necessary for any variation to the PSA, including changes that involve the assignment of the agreement, regardless of whether the changes impact the rates. Even if the changes, such as a change in contact details, do not affect the rates or other terms, ERC approval is still required.
33.	PSA Schedule 4	FF (adj) = Current Fuel Fee (if applicable) for the Billing Period calculated as follows: FF (adj) = FF (base) * (FO (current) / FO (base)) Where: FF (base) = Base Fuel Fee as defined in the Bid Documents set at _____	(1) Can the winning bidder submit its own Fuel Fee Formula in the PSA?	The Bidder should already specify the Fuel Fee Formula in the Financial Bid Form and in the Bid Evaluation Template in Excel form.





		FO (current) = Current cost of fuel at _____ / (unit) FO (base) = Base cost of fuel at _____ / (unit)		
34.	PSA General Comment		(1) There are still blanks in the PSA, and we assume that these will be subject to negotiations with the winning bidder. (2) If there is a conflict between the Bidding Docs and the final PSA, which shall prevail?	(1) The blanks in the PSA are to be accomplished based on the result of the bidding. (2) If conflict arise between the Bidding Documents and the final PSA, the Bidding Documents shall prevail.
35.	Instruction to Bidders	4.8.1 The Bidder shall provide three (3) copies of the Bid, one (1) original and two (2) photocopies. The Bid shall be printed or written in black indelible ink. In the event of any discrepancy between the original and the copies, the original shall prevail.	Just to confirm for documents we are not able to produce the ORIGINAL COPY, are the bidders allowed to submit a CERTIFIED TRUE COPY signed by authorized representative instead? Thank you.	This can be allowed provided a notarized certification that the authorized representative certifying the documents to be original have actually seen the original documents and that the authentic and original copy of the documents can be verified at the office where it is located during post qualification of the lowest calculated bidder. Provided that each page shall be stamped as a



				certified true copy.
36.	ELIGIBILITY REQUIREMENTS		<p>For the required documents we determined not applicable to us, would it be acceptable to submit a cover statement /format indicating their inapplicability?</p> <p>Sample:</p> <div data-bbox="1003 764 1304 1122" style="border: 1px solid black; padding: 10px; text-align: center;"> <p><small>Sub-Envelope 1.1 - Eligibility Requirements</small></p> <p>“NOT APPLICABLE”</p> </div>	<p>These are the only documents that may not be applicable to you: please refer to Annex A – Eligibility Requirements under items “c” and “d” and under (g) financial information number (vi).</p>
37.	ELIGIBILITY REQUIREMENTS	For Corporations, joint ventures, and partnerships with an international company,	What specific document is being asked to submit?	SEC Registration, JV or Partnership Agreement with



	item c.)	they may participate as a bidder, provided, they comply with all requirements of law and regulatory agencies and the Terms of Reference (TOR), consistent with the intention of ZAMCELCO to contract with a single power plant. For joint ventures and partnerships with an international company, such joint venture and/or partnerships must be registered with the Securities and Exchange Commission for the purpose by which they were formed;		International Company which must be registered with the SEC.
38.	ELIGIBILITY REQUIREMENTS item d.)	Capitalization of Bidders, whose source or sources of energy involves exploration, development, and utilization of natural resources, must be at least sixty (60%) Filipino owned in compliance with Section 2, Article XII of the 1987 Philippine Constitution.	What specific document is being asked to submit?	The following documents may be submitted: <ol style="list-style-type: none">1. Certificate of Incorporation2. Board Resolution or Secretary's Certification confirming the citizenship of its directors, officers or shareholders; or Affidavit of ownership affirming that the



				company is at least 60% Filipino-owned.
39.	ELIGIBILITY REQUIREMENTS item f.) Technical Capability Information (i)	List of projects undertaken over the last ten (10) years	Could you clarify what you mean by 'PROJECT' in this context? It could refer to various aspects, such as contracts, the construction or development of a power generation plant, or improvements to the existing facility Could you please specify the exact requirements from BAC? In our previous CSP, BAC requirement pertains to the construction of power generation plant and they provided the template to use. We suggest that ZAMCELCO create a standardized template to ensure uniformity in submissions from all bidders	ZAMCELCO to provide the template.
40.	ELIGIBILITY REQUIREMENTS item f.) Technical Capability Information (ii)	List of electricity generation plants that the bidder has operated for the last five (5) years; and	Will ZAMCELCO BAC provide a template for the matrix we can use? We suggest that ZAMCELCO create a standardized template to ensure uniformity in submissions from all bidders.	ZAMCELCO to provide the template.
41.	ELIGIBILITY REQUIREMENTS item f.) Technical	Proof of Documentation on track record for the last five (5) years of power plants operated by it.	Are there particular personnel we are required	



<p>Capability Information (iii)</p>	<p>In lieu of the foregoing requirements, the bidder may submit the following:</p> <p>(i) Key Personnel Experience – curriculum vitae of key personnel of the prospective bidder showing they have sufficient experience in the electric power industry, particularly in the generation sector; and</p> <p>(ii) Other relevant information showing proof of the technical capabilities of the bidder that would be helpful to the BAC.</p> <p>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.</p>	<p>to submit, or do we have the flexibility to choose and provide their CVs? Additionally, will there be a minimum number of years of experience required?</p> <p>Is submission of GCMR and GCIS for the last 5 years acceptable?</p> <p>ZAMCELCO intends to contract with a single power plant, correct? We suggest removing this from the list of requirements we need to submit. If that's not the case, could ZAMCELCO provide further clarification on this? Additionally, will ZAMCELCO BAC supply a template for the matrix we should use? We suggest that ZAMCELCO create a standardized template to ensure uniformity in submissions from all bidders.</p>	<p>Technical personnel under plant operation from staff to management. There will be no minimum number of years of experience required provided they can show proof of expertise.</p> <p>Yes, this is acceptable.</p> <p>We maintain the provision of "single power plant". ZAMCELCO will provide the template.</p>
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42.	Bid Security 4.5	Bank draft/guarantee or irrevocable letter of credit issued by Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or	Will the bidder be allowed to submit standby letter of credit (SBLC) as payment for the Bid Security?	No. The Standby Letter of Credit (SBLC) is not allowed.
43.	4.4 Financial Proposal		Will there be an opportunity for a mock or preliminary submission of the financial proposal? Since no template has been provided, there may be variations in the interpretation of the requirements. When will the template be released?	The LCOE Template was sent to all bidders on November 25, 2024. The BAC-CSP of ZAMCELCO will schedule a session with all bidders to discuss the template in detail.
44.	Bid Security 4.5.3	The amount must be equivalent to three (3) month contract cost of the proposed	Seek clarification on the bid security requirement, specifically permission to submit bid security exceeding the computed amount equivalent to three months. We might submit a bid security at the maximum cap of our bid price to cover any potential difference in the final amount. In our previous CSPs, we had been permitted to do so. Confirm if ZAMCELCO BAC will also allow this approach as well.	Yes. ZAMCELCO will allow submission of bid security higher than the calculated bid security as determined from the bid offer.



45.	FOM/VOM	ANNEX C FINANCIAL BID FORM	Request ZAMCELCO to declare the exchange rate and CPI as it is material to the bid price.	The Philippine CPI, the PHP to USD exchange rate, and USCPIs will be provided in the LCOE template to All Bidders.
46.	FUEL FEE	ANNEX C FINANCIAL BID FORM	How would the fuel be treated during the evaluation and contract implementation? What is Evaluation methodology?	<p>The fuel fee initial rate (P/kWh) during the evaluation shall be provided by the bidder for the calculation of the LCOE.</p> <p>The Bidder shall specify the fuel fee formula in computing the initial rate.</p> <p>The initial/base rate shall use indices for fuel such as the Newcastle index and indices other than the PHP CPI, PHP to USD Exchange Rate, and USCPIs from Bidder's October 2024 power bill to its existing customer in computing the initial/base rate for the fuel fee. Said October 2024 power bill shall be submitted to validation by BAC-CSP of the used indices.</p>



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				<p>The PHP CPI, PHP to USD Exchange Rate and USCPIs are provided by ZAMCELCO.</p> <p>The initial/base rate will be escalated using the inflation rate of 3% for the 10-year forecast for purposes of calculating the LCOE.</p> <p>During contract implementation, the fuel fee shall use the Bidder's formula, specified in during the bid evaluation including the consumption rate and degradation factor as declared in the evaluation. Base fuel fee will be allowed for indexation at the actual current indices over the base indices used during the bidding.</p>
47.	PERFORMANCE SECURITY BOND		Recommendation for ZAMCELCO to issue also a security bond to the supplier, if no security bond, BAC may consider payment term to be 30 days only.	Provision for 60 days payment term and No security deposit required from ZAMCELCO will remain.



48.	Payment Term		Clarification on the rationale of the Payment Term which is 60 days following the issuance of power bill. FDC recommends 30 days only	60 Days Payment term will remain
49.	PERFORMANCE SECURITY BOND		Are we allowed higher than the 3 months is it still acceptable?	Performance Bond amount higher than the required 3 months equivalent of the contract cost is allowed by ZAMCELCO.
50.	PERFORMANCE SECURITY BOND		Irrevocable letter of credit is the same as SBLC?	Irrevocable Letter of Credit (ILOC) is not the same as SBLC. The former cannot be changed or canceled without the agreement of all parties involved, while the latter can be canceled by the issuer without the beneficiary's consent.
51.	TOR	Line rental	In our industry practice - all line and congestion charges to the account to the supplier. Request to revisit provision.	As amended in the different DOE Department Circulars to the WESM Rules and Market Manuals for the Implementation of Enhancements to WESM Design and Operations. These are as follows: Clause 3.2.2.1 under Market Trading Nodes is amended to read as – "3.2.2.1 A market trading



				<p>node is a designated point in the market network model where energy is bought or sold based on the prices determined by the market dispatch optimization model.” (DOE DC2018-05-0015)</p> <p>Clause 3.13.1.1 under Submission of Bilateral Contract Data for Energy is amended to read as –</p> <p>“(b) Identify the market trading node associated with the bilateral contract quantity submitted; provided, however, that in case the market trading node is not identified prior to the submission of the bilateral contract quantity, the market trading node associated in the bilateral contract quantity shall be set to the market trading node of the selling Trading Participant; and (DOE DC2017-03-0001)</p> <p>xxx xxxxx xxx”</p>
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				<p>The definition of the term Under Glossary Chapter 11 is amended to read –</p> <p>Line Rental. The economic rental arising from the transmission of bilateral contract quantities from market trading node of the selling trading participant to a market trading node of the buying trading participant. (DOE DC2017-03-0001)</p> <p>Respectively, as specified in both the Terms of Reference and the draft PSA, all line rental and congestion charges in the delivery of power supply shall be for the account of the Seller.</p>
52.	PSA	7.2 Performance Bond	Could you please clarify how long ZAMCELCO will hold the performance bond issued by the bidder?	The performance bond shall be for the whole duration of the contract.
53.	Performance Bond	Annex F-FORM AND AMOUNT OF PERFORMANCE SECURITY AND WARRANTY	We would like to request clarifications on the items listed below.	<ol style="list-style-type: none">1. Date of the Notice of Award;2. The date ZAMCELCO issued the Notice of Award to the Winning Bidder;



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				<p>3. The date of the Performance Bond was posted by the Winning Bidder which is within ten (10) calendar days from the execution of the contract;</p> <p>4. It should be valid until the end of the contract period of the power supply; For 5 & 6. These are allowed.</p>
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For your information and guidance.

Approved by: BAC-CSP

ATTY. LEIZEL S. LACASTESANTOS
BAC-CSP Chairperson

Noted by:

ENGR. GANNYMEDE B. TIU
General Manager
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ATTY. ROMMEL S. AGAN, CPA
Chief Management Officer