



CEBU II ELECTRIC COOPERATIVE, INC.
THIRD PARTY BIDS AND AWARDS COMMITTEE (TPBAC)
COMPETITIVE SELECTION PROCESS
 National Highway, Malingin, Bogo City, Cebu
 Cebeco2.tpbac@gmail.com

INVITATION TO BID

Pursuant to the Department of Energy (DOE) Circular No. DC2023-06-0021 entitled “Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process by the Distribution Utilities for the Procurement of Power Supply for their Captive Market” and the Energy Regulatory Commission (ERC) Resolution No. 16, Series of 2023 entitled “Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered Into by Distribution Utilities for the Supply of Electricity to their Captive Market”, **the Cebu II Electric Cooperative, Inc. (CEBECO II) through the Third Party Bids and Awards Committee (TPBAC) invites all interested and qualified bidders to participate in the Competitive Selection Process (CSP) for the procurement of 12MW Baseload Power Supply for 2024-2034 (10 Years) under a Physical Power Supply Contract (PSA).**

ELIGIBLE BIDDERS:

Generation Company (GENCO) that owns and/or operates a power plant, IPP Administrator of privatized IPP PPA of NPC through an IPPS contract awarded by PSALM.

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 Note: Indicate specific areas to be served for off-grid
Demand Requirement <i>(Multiple choices allowed)</i>	<input checked="" type="checkbox"/> Baseload <input type="checkbox"/> Intermediate <input type="checkbox"/> Peaking
Type of Contract	<input checked="" type="checkbox"/> Physical PSA <input type="checkbox"/> Financial PSA
Pricing Structure	<input type="checkbox"/> Capacity-based PSA <input checked="" type="checkbox"/> Energy-based PSA
Contract Term (The term of the PSA shall be for a maximum period of ten (10) years in the case of Financial PSAs. For Physical PSAs, the	The Power Supply Agreement (PSA) shall take effect for a period of ten (10) years, unless earlier terminated in accordance with the provisions of the PSA.

<p>maximum term shall be for a period of fifteen (15) years, except for Physical PSAs where the nominated plants are renewable energy power plants, in which case, it may have a maximum term of twenty (20) years. All of these terms shall be reckoned from commencement of supply.)</p>																																								
<p>Target Delivery Date</p>	<p>07/26/2024</p> <p>Conditions Precedent to Start of Supply:</p> <ul style="list-style-type: none"> a. ERC approval of PSA. and, b. Upon expiration of the EPSA on July 25, 2024 																																							
<p>Bid price in Philippine Peso per kilowatt-hour (PhP/kWh) <i>(the "ceiling price"- inclusive of fuel cost but excluding any penalties and/or discounts to be implemented for the duration of the contract period)</i></p>	<p>Refer to the Bid Documents</p>																																							
<p>For Energy-based PSA <i>(CSPs with multiple demand requirements, please indicate whether for Baseload, Intermediate, Or Peaking)</i></p>	<p>12MW Baseload Requirement with the following Schedule of Delivery (in kWh per month)</p> <table border="1" data-bbox="646 1079 1382 1535"> <thead> <tr> <th>Billing Period</th> <th>Regular Year</th> <th>Leap Year</th> </tr> </thead> <tbody> <tr><td>January</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>February</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>March</td><td>8,064,000</td><td>8,352,000</td></tr> <tr><td>April</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>May</td><td>8,640,000</td><td>8,640,000</td></tr> <tr><td>June</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>July</td><td>8,640,000</td><td>8,640,000</td></tr> <tr><td>August</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>September</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>October</td><td>8,640,000</td><td>8,640,000</td></tr> <tr><td>November</td><td>8,928,000</td><td>8,928,000</td></tr> <tr><td>December</td><td>8,640,000</td><td>8,640,000</td></tr> </tbody> </table> <p><input type="checkbox"/> Not Applicable</p>	Billing Period	Regular Year	Leap Year	January	8,928,000	8,928,000	February	8,928,000	8,928,000	March	8,064,000	8,352,000	April	8,928,000	8,928,000	May	8,640,000	8,640,000	June	8,928,000	8,928,000	July	8,640,000	8,640,000	August	8,928,000	8,928,000	September	8,928,000	8,928,000	October	8,640,000	8,640,000	November	8,928,000	8,928,000	December	8,640,000	8,640,000
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<p>Preferred Plant Location, if applicable</p>	<p>No preferred location</p>																																							
<p>Tariff Structure</p>	<p><i>Parameters:</i> EC must prepare a formula to compute the total fee per billing period.</p> <p>Bidders must submit sample bills for the process of evaluation.</p>																																							

	<p>For Physical PSAs: The tariff structure shall be unbundled into components as follows:</p> <table border="1" data-bbox="662 310 1245 491"> <thead> <tr> <th>Component</th> <th>Unit</th> </tr> </thead> <tbody> <tr> <td>CRF</td> <td>Fixed PhP/kWh</td> </tr> <tr> <td>FOM</td> <td>Fixed PhP/kWh</td> </tr> <tr> <td>VOM</td> <td>Variable PhP/kWh</td> </tr> <tr> <td>Fuel</td> <td>Variable PhP/kWh</td> </tr> </tbody> </table> <p><i>Responsibility of the Bidder:</i></p> <p>Each of the unbundled tariff components shall be accompanied by a derivation, computation, or simulated value for every year of the PSA, as applicable.</p>	Component	Unit	CRF	Fixed PhP/kWh	FOM	Fixed PhP/kWh	VOM	Variable PhP/kWh	Fuel	Variable PhP/kWh
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CRF	Fixed PhP/kWh										
FOM	Fixed PhP/kWh										
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<p>Outage Allowances per plant</p>	<p>Bidders shall submit their annual nomination of scheduled and unscheduled outages not exceeding 30 days per year. Bidder shall provide replacement power during the scheduled and unscheduled outages at ERC-approved rate under the PSA or the actual rate whichever is lower.</p> <p>All Planned Outages must be scheduled and declared twelve (12) months in advance.</p> <p>There will be no carry-over of any unutilized outage allowances</p>										
<p>Force Majeure <i>(Should be in accordance with prevailing DOE and ERC issuances)</i></p>	<ul style="list-style-type: none"> ▪ The events that shall be deemed as Forced Majeure and analogous circumstances shall be in accordance to DOE CSP Policies. ▪ Arrangements in case of any force majeure shall be agreed upon by parties and shall from part of the PSA. ▪ There will be no payment of any capacity fee in case of outage during any force majeure 										
<p>Replacement Power</p>	<p>Section 15. Obligation to Provide Replacement Power</p> <p>The Winning Bidder is under the obligation to provide the entire contracted capacity. In the case of Physical PSA, the Winning Bidder shall deliver the contracted capacities from its nominated plants, and where it is unable to deliver from these plants, it shall procure replacement power, subject to the guidelines provided herein.</p> <p>In providing such replacement power, the DU and the Winning Bidder shall have the obligation to supply electricity in the least cost manner to the captive market. Further, the DU shall optimize its supply mix and sources in a way that this obligation shall be fulfilled.</p>										

	<p>Further, the Winning Bidder is under the obligation to pay for the difference, if any, between the cost of the replacement power incurred by the DU and the provisionally or finally approved generation rate.</p> <p>Likewise, in any of the following cases, the Winning Bidder shall source and provide replacement power:</p> <p>(a) If the Physical PSA provides that the supply requirement shall be originating from a specific plant type with a provisional or final generation rate granted specifically to such plant, and the Winning Bidder was not able to provide supply from such plant type, the Winning Bidder shall be responsible for the provision of replacement power at the generation rate equivalent to the provisional or final ERC-approved generation rate for such plant type, or the actual rate of the replacement power, whichever is lower;</p> <p>(b) If the Winning Bidder was only able to provide partial electricity supply requirement of the DU, contrary to what is provided for under a duly executed Physical PSA, the Winning Bidder shall be responsible for the provision of replacement power for the deficient capacity at the generation rate equivalent to the provisional or final ERC- approved generation rate, or the actual rate of the replacement power, whichever is lower; or</p> <p>(c) In case of outages that exceeded the authorized outage allowance, the Winning Bidder must provide replacement power at the generation rate equivalent to the provisional or final ERC- approved generation rate, or the actual rate of the replacement power, whichever is lower.</p>
<p>Form of Payment <i>(Form of Payment to be determined by the EC)</i></p>	<p>Mode of Payment:</p> <ul style="list-style-type: none"> • Cash • Cheque <p>Currency:</p> <ul style="list-style-type: none"> • Philippine Peso <p>Billing Period:</p> <ul style="list-style-type: none"> • Monthly
<p>Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations</p>	<ul style="list-style-type: none"> ▪ The DU shall have the right to impose penalties whenever Supplier fails to comply with its obligations within the cure period stated in the PSA under the following circumstances: <ul style="list-style-type: none"> a) Payment of damages upon contract termination based on valid grounds; b) Delay in Commercial Operation Date (COD);

<p><i>(Ideally, the penalties should be at levels that is reasonably low so as not to discourage interested parties, at the same time reasonably high so as to discourage parties who may otherwise be willing to risk not meeting the delivery timetable or supply obligations in order to obtain the contract. At the same time, the penalty provisions should reasonably accommodate delays due to force majeure or circumstances outside of the control of the parties.)</i></p>	<ul style="list-style-type: none"> c) Failure of power delivery; and d) Other grounds detailed in the Power Supply Agreement. <ul style="list-style-type: none"> ▪ The DU shall also have the right to forfeit the performance security and bid security in instances enumerated in the Instruction to Bidders. ▪ The non-defaulting Party may terminate the PSA subject to prior notice which shall not be less than thirty (30) calendar days.
<p>Reduction of Contract Capacity and/or Contract Energy <i>(EC to prepare protocol for the reduction in the contract or capacity or energy with observance with existing rules and regulations)</i></p>	<ul style="list-style-type: none"> ▪ The reduction of contract capacity shall be allowed in case of: <ul style="list-style-type: none"> a) Loss of captive customers due to Retail competition and Open Access and Green Energy Option Program b) Reduction of demand of the DU due to special circumstances beyond the control of the DU. ▪ Customer may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract it no longer requires to: <ul style="list-style-type: none"> a) Any of its business segment without the prior consent of Power Supplier; or b) Any affiliate or third party subject to the consent of Power Supplier ▪ The consent by the Power Supplier shall not be unreasonably delayed or conditions at the disadvantage of the DU ▪ Any reduction shall require approval of the ERC and must comply with applicable rules of the competition set by the Government.
<p>Prompt Payment Discount</p>	<p>Best offer but not less than 1% of CRF</p>
<p>Other Terms and Conditions</p>	<ul style="list-style-type: none"> ▪ Regulatory Approvals <ul style="list-style-type: none"> a) The DU and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules within thirty (30) calendar days after the execution of the PSA. b) The Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract

and the DU should not be made to shoulder the incremental difference.

- **Dispatch by Utility**

The DU shall dispatch 100% of the contracted capacity in accordance with the required contracted capacity. However, the DU may schedule a dispatch of at least 50% of its contracted capacity in accordance with the agreed dispatch protocol.

- **Source of Power**

Open Technology

- **Plant Capacity**

The minimum generating capacity of the bidder shall be no less than the contracted capacity of the DU of 12MW

- **Technical Specifications**

The Bidder shall submit technical specifications of the generation units in accordance with the set requirements prescribed in the Instruction to Bidders.

- **Take-Off Structure**

The delivery and metering point shall be at the connection point of the DU to the Grid. The cost of connection point shall be borne by the Supplier.

- **Years of Experience**

- a) Bidder must exhibit control over generating capacity of power plant(s). Certificate of good performance/track record with other customers shall be required.
- b) List of the Bidder's generation portfolio must be supported by copies of its Certificate of Compliance issued by ERC

- **Technical Capability/ Qualifications**

- a) The Bidder shall show proof of its experience and technical capability.
- b) The Bidder shall provide a copy of its company profile highlighting experiences and expertise of the company and/or key officers in power plant operation.

c) The Bidder shall certify availability of contracted capacity on or before the Target Delivery Date.

▪ **Other Bidders' Qualification**

- a) All forms of business organizations including Joint Ventures are encouraged to participate in the bidding process subject to applicable government licenses and permits.
- b) For bidders using indigenous and RE power plants, the bidder must comply with the constitutional requirement for ownership.
- c) The capacity offer of the bidder must be compliant with all the ownership limitations prescribed under EPIRA.
- d) For new power suppliers, the qualification shall be based on:
 - i. The experience and competence of its personnel to manage and operate the plant; and,
 - ii. Acceptability of its operational management plan during technical bid evaluation.

If Bidder is formed as a partnership, corporation, consortium, joint venture or any similar association for purposes of this CSP, it must present an agreement showing that the Bidder and all its partners, shareholders, joint venture, associates, as may be applicable, are jointly and severally liable to (EC) for any and all costs and obligations arising from this CSP and the resulting PSA.

▪ **Grounds for Contract Termination**

No party to the PSA shall be allowed to terminate the contract within the validity period unless expressly allowed under the ERC Resolution No. 16, Series of 2023.

- a) A motion for termination of a PSA must be justified only on any of the following grounds:
 - 1. Failure to achieve COD, beyond 60 days
 - 2. Bankruptcy or insolvency of the Genco
 - 3. Expiration, reduction or revocation of the franchise of the DU
 - 4. Breach of Contract
 - 5. Default of either party without fault or negligence on the other party
 - 6. Force majeure rendering the supply of

	<p>electricity impossible to accomplish</p> <ol style="list-style-type: none"> 7. Extended Force Majeure as agreed under the PSA. 8. Changes in the circumstances as agreed under the PSA. 9. Any other circumstances analogous to the foregoing grounds <p>b) Rate reductions made by the ERC shall not be a valid ground for the termination of the Contract. DU shall not pay for the said rate reduction or adjustments.</p> <ul style="list-style-type: none"> ▪ Liquidated Damages <ol style="list-style-type: none"> a) Liquidated damages in case of default shall be equal to the present value of the Capacity Payment computed on a 365-day basis for the remaining term of the PSA. b) The discount rate to be used shall be: 0.1% of the equivalent amount of energy in a month per day of delay ▪ Obligation of the DU <p>The DU shall provide assistance to the successful bidder in the processing of permits and similar requirements from all national agencies and local government units especially if the resulting PSA involves the construction of a new power plant.</p>
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Bidders shall submit the base prices of each Tariff Component, based on December 31, 2023 Indexes in the Financial Bid envelope taking into consideration the minimum requirements of the TOR. For purposes of the bid comparison, the rate, net of discount, if any, as offered by the bidders will be used by CEBECO II in its evaluation.

INDICATIVE SCHEDULE OF ACTIVITIES:

Subject to due notice of participants, CEBECO II TPBAC reserves the right to amend the schedules as shown below:

Activities	Target Dates*
Publication of Invitation to Bid	April 2 and April 9, 2024
Acceptance of Letter of Intent and Company Profile	April 2, 2024 until April 17, 2024
Payment of Bid Documents Fee and Issuance of Bid Documents	April 4, 2024 until April 19, 2024
Due Diligence of the Bidders	April 4, 2024 until April 19, 2024

Deadline for submission of Matrix of Comments on the Bidding Documents	April 19, 2024
Pre-Bidding Conference	April 30, 2024
Issuance of Bid Bulletin and Final Instruction to Bidders	May 21, 2024
Submission and Opening of Bids	June 7, 2024
Post Qualification and Evaluation of Bids	June 10-11, 2024
Issuance of Notice of Award	July 1, 2024
Execution of the Contract	July 15, 2024

PARTICIPATION FEE (BIDDING DOCUMENTS FEE):

Bidders shall pay a non-refundable Participation Fee (Bidding Documents Fee) in the amount of TWENTY FIVE THOUSAND PESOS (P25,000.00) for every 1 MW contract capacity OR **THREE HUNDRED THOUSAND PESOS (P300,000.00)** for the 12MW contract. Only Bidders who have properly secured the Bidding Documents will be allowed to participate in the Pre-Bid Conference and in the Bidding.

GENERAL INFORMATION:

Interested Bidders may obtain copy of the complete set of Bidding Documents upon:

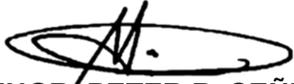
1. Submission of Letter of Intent, Company Profile, Certificate of Compliance issued by ERC and Certificate of Registration from IEMOP.
2. Payment of Non-refundable Participation Fee (Bidding Documents Fee) in cashier's check or manager's check payable to **CEBU II ELECTRIC COOPERATIVE, INC.** through Bank transfer or Deposit to the TPBAC Designated Bank Account and submission of proof of payment to the TPBAC Secretariat through the official TPBAC email.

Bank/Branch:	PNB- Bogo Branch
Account Name:	CEBECO II
Account No.	3028-1000-3573

3. Venue for the Pre-bidding and bid opening shall be announced through bid bulletins. Only bidders who purchased bid documents shall be allowed to attend the pre-bidding and the bid opening.

For further inquiries, please refer to:
CEBECO II TPBAC Secretariat
Cebu II Electric Cooperative, Inc.
Malingin, Bogo City, Cebu

Contact Person: Chantilli Ann Victoria L. Blanco
Contact Number: (032) 8872504 or 09177916278
Email Address: cebeco2.tpbac@gmail.com

A handwritten signature in black ink, appearing to be 'P. B. Señeres', written over a horizontal line.

ENGR. PETER B. SEÑERES
TPBAC Chairman