



PAMPANGA I ELECTRIC COOPERATIVE, INC.  
Sto. Domingo, Mexico, Pampanga  
Third Party Bids and Awards Committee (TPBAC)

## INVITATION TO BID

Pursuant to the Department of Energy (DOE) Department Circular No. DC 2018-02-0003 and National Electrification Administration (NEA) Memorandum No. 2019-007, PELCO 1, thru 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 36MW Baseload requirement thru Power Supply Agreement (PSA).

Interested Bidders may obtain a copy of the Bidding Documents upon submission of: (a) "Letter of Intent"; (b) notarized "Confidentiality Undertaking", (these forms are available at PELCO 1 website); and payment of a non-refundable "Participation Fee" of Seventy Five Thousand Pesos (PHP 75,000.00), VAT-inclusive, either cash or Manager's check payable to Pampanga I Electric Cooperative, Inc., to the TPBAC Secretariat located at PELCO 1 Main Office in Sto. Domingo, Mexico, Pampanga.

Only the interested Bidders' authorized representative/s indicated in the "Letter of Intent" are allowed to attend and participate in the "virtual" Pre-Bid Conference (and other Bidding process), together with other DOE and NEA observers invited by the TPBAC.

For further details in this CSP matter, please visit PELCO 1's website at [www.pelco1.org.ph](http://www.pelco1.org.ph) or contact Ms. Camille Joy P. Garcia, TPBAC Secretariat, on mobile/telephone numbers (0917) 554-0565 or (045) 361-2329 or thru email at [tpbac@pelco1.org.ph](mailto:tpbac@pelco1.org.ph).

### CSP Schedules

No.	Activity	Date, Time and Place
1	Publication of Invitation to Bid	April 15, 2021 (Thursday) and April 22, 2021 (Thursday) (Philippine Daily Inquirer)
2	Issuance of Bid Documents	April 23, 2021 to May 10, 2021, 8:00AM – 5:00PM TPBAC Secretariat at PELCO 1 Main Office, Sto. Domingo, Mexico, Pampanga
3	Virtual Pre-bid Conference	<b>May 11, 2021 (Tuesday), 10:00AM</b> PELCO 1 Main Office, Sto. Domingo, Mexico, Pampanga
4	Issuance of Bid Bulletin	May 12, 2021 to June 10, 2021
5	Virtual Due Diligence of the Bidders	May 18, 2021 (Tuesday), 10:00AM – 3:00PM PELCO 1 Main Office, Sto. Domingo, Mexico, Pampanga
6	Submission of Bids	<b>June 16, 2021 (Wednesday), 8:00AM – 5:00PM</b> PELCO 1 Main Office, Sto. Domingo, Mexico, Pampanga
7	Virtual Opening of Bids	<b>June 17, 2021 (Thursday), 10:00AM</b> PELCO 1 Main Office, Sto. Domingo, Mexico, Pampanga
8	Evaluation of Bids	June 21 to 28, 2021
9	Post Qualification of Bids	June 29, 2021 to July 9, 2021
10	Issuance of Notice of Award	July 14 to 16, 2021

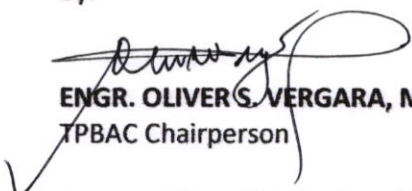
## Terms of Reference (TOR)

No.	Items	Requirements																		
1	Type of Contract	<ul style="list-style-type: none"> <li>Base Load, Firm, Take-and-Pay Scheme</li> </ul>																		
2	Contracted Capacity	<ul style="list-style-type: none"> <li>36 MW</li> </ul>																		
3	Contracted Energy	<ul style="list-style-type: none"> <li>66,000 MWH in 2022 and Minimum of 308,000 MWH in 2023-2032</li> </ul>																		
4	Contract Duration	<ul style="list-style-type: none"> <li>123 months commencing from September 26, 2022 to December 25, 2032</li> </ul>																		
5	Target Delivery Date	<ul style="list-style-type: none"> <li>September 26, 2022</li> </ul>																		
6	Tariff Structure	<ul style="list-style-type: none"> <li>Tariff component, unbundled to: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Tariff Component</th> <th style="text-align: center;">Unit</th> <th style="text-align: center;">Unit</th> </tr> </thead> <tbody> <tr> <td>True Cost of Generation Rate</td> <td></td> <td>Php/kWh</td> </tr> <tr> <td>a. Capital Recovery Fee (CRF)</td> <td>Php/kW/month</td> <td>Php/kWh</td> </tr> <tr> <td>b. Fixed O&amp;M (FOM)</td> <td>Php/kW/month</td> <td>Php/kWh</td> </tr> <tr> <td>c. Variable O&amp;M (VOM)</td> <td></td> <td>Php/kWh</td> </tr> <tr> <td>d. Fuel Fee (if any)</td> <td></td> <td>Php/kWh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Specify formula for base fee adjustment affected by factors such as CPI, Forex and Escalation due to fuel degradation and others</li> <li>FOM is indexed on Philippine CPI (PhCPI)</li> <li>VOM may be indexed on PhCPI and/or Forex</li> <li>Fuel Fee may be indexed on fuel price and Forex</li> <li>Fossil fuel is passed-on charge based on actual market price but limited to guaranteed fuel rate per Li/kWh</li> <li>Lube Oil is based on local market price at guaranteed fuel rate per Li/kWh</li> <li>No indexation or escalation on CRF</li> <li>Present levelized cost of electricity (LCOE) for the 10 years term</li> </ul> </li> </ul>	Tariff Component	Unit	Unit	True Cost of Generation Rate		Php/kWh	a. Capital Recovery Fee (CRF)	Php/kW/month	Php/kWh	b. Fixed O&M (FOM)	Php/kW/month	Php/kWh	c. Variable O&M (VOM)		Php/kWh	d. Fuel Fee (if any)		Php/kWh
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7	Outage Allowance (OA)	<ul style="list-style-type: none"> <li>Scheduled OA not exceeding thirty (30) days per year</li> <li>Unscheduled OA not exceeding five (5) days per year</li> <li>No carry-over of OA to any subsequent contract year</li> <li>No crediting of OA from scheduled to unscheduled and vice versa</li> </ul>																		
8	Force Majeure (FM)	<ul style="list-style-type: none"> <li>Parties shall determine FM events and establish the action plans</li> <li>No payment of CRF and FOM</li> <li>PELCO 1 shall not be required to make payments for any of the following: <ul style="list-style-type: none"> <li>(a) Capacity that is unavailable; and (b) Capacity that it cannot accept</li> </ul> </li> </ul>																		
9	Replacement Power (RP)	<ul style="list-style-type: none"> <li>Supplier shall provide RP in the following cases, except for FM events: (a) During any delay from target delivery date; (b) Scheduled or unscheduled outages; and (c) any extension on allowable outages</li> <li>PELCO 1 shall pay RP rate either ERC approved contract rate or actual, whichever is lower</li> <li>Failure of the Supplier to provide RP, PELCO 1 shall be allowed to source RP at the expense of the Supplier</li> </ul>																		
10	Currency	<ul style="list-style-type: none"> <li>Philippine Peso</li> </ul>																		
11	ERC Approval	<ul style="list-style-type: none"> <li>Parties shall file with the ERC the joint application for the approval of the PSA in accordance with the ERC Rules</li> <li>The tariff, terms and condition of the power supply agreement shall be subject to either provisional authority or final approval of ERC</li> <li>Winning Bidder shall make the necessary adjustments in accordance with the directives of the ERC. Any downward adjustment in the rates shall not be a ground for the termination of the contract and PELCO 1 shall not shoulder the incremental difference</li> </ul>																		


12	Source of Power	<ul style="list-style-type: none"> <li>Any power plant/s capable of supplying baseload requirement</li> </ul>
13	Eligibility Requirements	<ul style="list-style-type: none"> <li>If Bidder is under partnership or consortium, it must present an agreement showing that they are jointly and severally liable in this Bidding and the resulting Power Supply Agreement (PSA)</li> <li>Own and/or operate existing and operational power plant/s in the Philippines</li> <li>Has available capacity on Target Delivery Date</li> <li>Has experience and technical capability/qualification of technical staff, management team/consultants and organization structure</li> <li>Provide Certificate of Compliance issued by the ERC</li> </ul>
14	Security Deposit	<ul style="list-style-type: none"> <li>PELCO 1 may post 100% of estimated one (1) month power bill during first year of Contract, adjusted annually to reflect current billing using the average of the past 12 months billing</li> </ul>
15	Reduction in Contracted Capacity	<ul style="list-style-type: none"> <li>Capacity reduction depending on RCOA and GEOP Rules</li> <li>PELCO 1, at any billing period, shall be entitled to a reduction in the contracted capacity equivalent to the reduction in the demand of its contestable customers</li> <li>Percentage reduction is prorated to the actual delivered energy of each supplier if the Retail Electricity Supplier (RES) of contestable customer is not affiliated to any of existing supplier</li> <li>Reduction is directly applied to the supplier if the RES of contestable customer is affiliated to supplier</li> </ul>
16	Nomination Protocol	<ul style="list-style-type: none"> <li>PELCO 1 may revise any nominations in accordance with the WESM rules and operating procedures</li> <li>PELCO 1 may revise the nomination due to its unscheduled outages</li> </ul>
17	Line Rental and Other Charges	<ul style="list-style-type: none"> <li>Delivery point shall be at the market trading node of PELCO 1</li> <li>Bidder must provide Line Rental Cap (<i>Php/kWh</i>) which will be used during evaluation</li> <li>PELCO 1 shall pay line rental cap or actual, whichever is lower</li> <li>Other charges, such as Market Fees, Imbalance Charges and Billing Adjustments, shall be on the account of the Supplier</li> </ul>
18	Penalties	<ul style="list-style-type: none"> <li>If Winning Bidder fails to deliver contracted capacity on the delivery date, it shall pay PELCO 1 the prevailing one (1) year total contract cost</li> <li>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 equivalent to prevailing one (1) year total contract cost</li> </ul>
19	Grounds for Termination	<ul style="list-style-type: none"> <li>Events of Default of either party such as but not limited to bankruptcy or any breach of material obligation in the contract</li> <li>Expiration of Term or Upon Mutual Agreement</li> <li>Non-fulfilment of conditions for effective date</li> <li>Non-occurrence of Commencement Date or Commercial Operation Date</li> <li>Supplier fails to supply for a period of sixty (60) days from target delivery date for reason wholly attributable to its fault and/or negligence</li> <li>Unpaid financial obligation of PELCO 1 when due within any applicable grace period</li> </ul>

**Third Party Bids and Awards Committee (TPBAC)**

By:

  
**ENGR. OLIVER S. VERGARA, MEM**  
 TPBAC Chairperson

Noted by:

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

Approved by: **PELCO 1 Board Resolution No. 20-2021**