



## Bid Bulletin No. 008

### SUPPLY OF POWER TO MORE ELECTRIC AND POWER CORPORATION Contact Capacity of 20MW (Phase 1) and 25MW (Phase 2)

After further consideration, MORE Power Third-Party Bids and Awards Committee hereby decides to include, revise, amend, and/or adopt the following provisions in the Final Instruction to Bidders (FITB):

Section	ITB Provision	Second Pre-bid Question	TPBAC Answer	Additional Clarification	TPBAC Answer
Section 2: Definition of Terms	Prospective Bidder refers to company or Genco who submitted Letter of Intent (LOI) and paid the Bidding Document Fee			We would like to appeal to the TPBAC that the Prospective Bidder be allowed to transfer or assign its rights and interest once on or before the Bid Submission Deadline and only in favor of a juridical entity in which Prospective Bidder has a Controlling interest. And that the transferee or assignee shall only be required to submit an Expression of Interest and Non-Disclosure Undertaking in its name on or before the Bid Submission Deadline.	<b>Denied.</b>
ITB Section 13 Legal Requirements				We don't usually include details on the fax number/s, email address/es of the authorized representative/s on the Secretary's Certificate, will a certification suffice as compliance?	<b>Certification is acceptable.</b>
ITB Section 14 Technical Requirements				In lieu of the expired COC, we are submitting Provisional Authority to Operate (PAO) as alternative. However, since our plant consists of several units, we have one unit which the ERC has yet to issue a PAO or COC. Will a proof of submission to the ERC be acceptable for the said unit?	<b>Accepted subject to submission of original COC/PAO upon issuance.</b>
	Plants under testing and commissioning, they CAN submit as an existing plant.			Does this mean it is only an option and not a hard requirement? Bidder whose plant is under T&C can opt to submit reqts as a new power plant pa din?  We note that there are requirements (like the latest MOR) for existing plants that plants under T&C cannot submit yet.	<b>Plants under Testing &amp; Commissioning should be considered as New Plant and should submit requirements as such.</b>
ITB Section 15 Financial Requirements				Computation of fuel cost based on running average the preceding three month-weekly Newcastle Index is acceptable in the computation of December 2020 Base Fuel Cost and will be reflected in the PSA.	<b>Formula should be consistently applied in the PSA.</b>
ITB Section 15 Financial Requirements				According to the Minutes of the meeting last July 13, TWG will have to decide on the validation of fuel cost for bidder with new plants since there is no power bill for december 2020.  We would like to confirm if fuel supply procurement plan will be used to evaluate.	<b>Acceptable as long as the base fuel cost should be honored.</b>

	Additional Instruction for filling out Annex D-1: Financial Proposal Forms- Phase 1 and Annex D-2: Financial Proposal Forms- Phase 2				<b>Bidder's proposal for all unbundled rates shall be up to four (4) decimal places only, and shall be used on both the hardcopy and softcopy of the Financial Proposal Form.</b>
				We respectfully request TPBAC to consider the copy of New Coal Supply Contract as proof of the offered fuel price indexed at Dec.2020.	<b>Accepted.</b>
	Fuel Pass Through  FITB Section 15.3 (Instructions for filling out Annex D-1), sub-clause (vii) (d) states: "However, in the actual implementation of PSA, actual formula specific to the fuel supply contract of the Bidder shall be considered. The fuel formula in the PSA shall be amended to reflect the actual fuel formula specific to the winning bidder."			Please confirm if our understanding is correct that in the implementation of the PSA, fuel shall be a pass through cost.	<b>Fuel shall be a pass-through cost but the total base fuel fee in the Financial Proposal Form shall be the same as the Bidder's December 2020 actual fuel price billed to the Bidder's existing customers (or can be the new fuel supply contract, if applicable).</b>
	CRF and FOM  The Terms of Reference (TOR) provides that CRF and FOM shall be in P/kWh. FITB Section 15.3, sub clause (x), states that CRF and FOM shall be multiplied by "Contracted Energy" which is the 100% energy equivalent of the Contracted Capacity.			Please confirm if our understanding is correct that CRF and FOM are essentially capacity based fees.	<b>Yes. CRF and FOM are 100% capacity based fees. CRF and FOM billing determinants shall be the Contracted Energy which is 100% energy equivalent of the Contracted Capacity, subject to adjustment due to actual number of Force Majeure (and Plant Outages), if applicable.</b>
ITB Section 12				Since NCR's quarantine classification starting Aug 6 until Aug 20 shall be ECQ and with the limited/cancelled flights, we would like to again request for your consideration to allow online bid submission.	<b>Denied. Airport to airport submission is encouraged. Power and energy sectors are allowed to operate with a skeletal workforce during ECQ and their employees are allowed to travel being classified as APOR's.</b>
ITB Section 24.13 Opening of Bids	Should the lowest Levelized Rate result in a tie, the TPBAC shall use a nondiscretionary and non-discriminatory measure based on sheer luck or chance by DRAWING OF LOTS to determine the Winning Bidder/s. The procedure shall be as follows:	We respectfully request TPBAC to reconsider this position. We appreciate the fact that it took TPBAC 8 hours to deliberate on this - but if we allow the tied bidders to improve on their bids, then ultimately the consumers will benefit because they get a much lower energy cost. Please reconsider. Thank you.	Denied. To preserve the integrity of the bidding process and to dispel any iota of doubt.	TPBAC may reconsider that another form will be opened (as Additional Discount) in case of tie as this will definitely result to lower tariff. In the One Bohol CSP, there are set of criteria to be followed in choosing the winner which has impact in reduced tariff. In the CENECO CSP, it provided a form indicating the discount which will be opened only in case of tie.	<b>Denied. The rules to implement this will be subjected to another round of comments. This was not initially included in the TOR approved by the DOE. Bidders will not be given an opportunity to improve their bids after bid opening to preserve the integrity of the CSP process.</b>
ITB Section 27 Declaration of Winning Bidders	Invitation to Bid (2. Minimum Requirement of Supply), Delivery Point is at MORE metering nodes, LR shall be for the account of Bidder	We respectfully suggest that LR be included in the computation of LCOE. This is the case in other CSPs (e.g., 1Bohol CSP, Meralco CSPs, etc.). Inclusion of LR in the LCOE computation enables TPBAC to accurately compute LCOE and compare bids uniformly. It also ensures that LR is incorporated as part of and not forgotten in the bid price in view of the fact that LR is for the account of the Supplier. We kindly request TPBAC to reconsider. Thank you.	Denied. Bidder must ensure that the Line Rental is already included in the computation of their bid offer.	Please confirm that bidder can flag the equivalent Line Rental Cost either at "F O&M PHP (W/O ESCALATION)" [Row 26] or "V O&M PHP (W/O ESCALATION)" [Row 40] under Financial Proposal, Annex D-1_Block.1, Annex D-1_Block.2, Annex D-2_Block.1, Annex D-2_Block.2 and Annex D-2_Block.3	<b>Denied. Line Rental is presumed included in your base price regardless of which component it will be part of. It is discretionary on the part of the Bidder on how to recover its Line Rental cost/revenue and shall not be added as a separate component in the Financial Proposal Form.</b>

Outage Allowance	Zero outage power supply	We respectfully suggest that LR be included in the computation of LCOE. This is the case in other CSPs (e.g., 1Bohol CSP, Meralco CSPs, etc.). Inclusion of LR in the LCOE computation enables TPBAC to accurately compute LCOE and compare bids uniformly. It also ensures that LR is incorporated as part of and not forgotten in the bid price in view of the fact that LR is for the account of the Supplier. We kindly request TPBAC to reconsider. Thank you.	Denied. Bidder must ensure that the Line Rental is already included in the computation of their bid offer.	For further consideration because LR rental is form part of the cost and separate from CRF.	<b>Denied. Line Rental is presumed included in your base price regardless of which component it will be part of. It is discretionary on the part of the Bidder on how to recover its Line Rental cost/revenue and shall not be added as a separate component in the Financial Proposal Form.</b>
Minimum Hourly Submission	50% of Contracted Capacity (MW)	Buyer shall be allowed minimum hourly nomination equivalent to 50% of the contracted capacity or pro-rated demand whichever is higher in consideration to any forced outage of its substations, distribution lines and any unforeseen failure of its distribution system.	Denied. Pro-ration of demand can only happen if rates between suppliers are the same	For further consideration since energy input in the LCOE is 100% throughout the contract period.	<b>Denied. Pro-ration of demand can only happen if rates between suppliers are the same.</b>
Reduction in Contract Capacity		We respectfully suggest it to be average (to capture the load profile)	Denied.	Request to clarify the demand, if it is average or peak. to illustrate, if the applied demand of the customer is 1000 kW, load profile of 50% with peak of 1000 kW. The total energy consumed on 24 hours basis is 500 kWh. What will be the basis of the carve out, 1000 kW peak demand or the 500 kWhs average demand? Please consider to adopt the average demand to align with the aim of adopting carve out based on the principle of revenue neutrality (e.g. ERC Resolution No. 10 series of 2016 ("Resolution") which provides guidance on Displaced Contract Capacity Energy.	<b>Accepted. Reduction shall be based on average actual demand in consideration of the actual load factor.</b>  <b>Reduction computation shall be included in the PSA Annex.</b>
Replacement Power	The supplier is responsible to supply replacement power. In the event of failure of supplier to provide the replacement power, MORE Power shall be allowed to find replacement power but shall be for the account of the Supplier, subject to the payment of administrative fee of Php 0.35/kWhr.	We suggest the following revision: In the event the Supplier fails to provide replacement power, MORE Power shall be allowed to find replacement power, <b>but the difference in the price</b> shall be for the account of the Supplier, subject to the payment of administrative fee of Php 0.35/kWhr.	In the event the Supplier fails to provide replacement power, MORE Power shall be allowed to find replacement power, but the difference in the price shall be for the account of the Supplier including payment of administrative fee of Php 0.35/kWhr.	what if the replacement power arranged by MORE is lower than the contracted rate?	<b>We will still pay the contract rate.</b>
Contracted Capacity	A bidder may submit a Bid for more than one (1) block; provided, that each block shall have an offered contract capacity of a minimum of 10MW to a maximum of 20MW.	Please confirm that bidder with an offer of three (3) 10MW for Phase 2 can be awarded of the entire 25MW. Please confirm that the "bid offer rate" means the bid price of the next lowest bidder. On submitting more than 1 block offer, we understand that the bidder will do this so as it will have different pricing. Will it be deemed as different bids? If it will be deemed as different bids, will it be considered different bids with separate compliances and payments (bid securing declaration form)?	Yes. No. The Bid offer rate refers to the bid price/bid proposal per block of the Bidder. Bidder may offer any rate for any block. Bidder shall submit maximum of two (2) Bid Prices for Phase 1 and three (3) Bid Prices for Phase 2. Any excess shall be considered as multiple bids which is a ground for disqualification.	Please confirm that bidder shall not be disqualified if it only offered below 2 blocks of Phase 1 and below 3 blocks for Phase 2.	<b>Confirmed</b>

Contract Period	Phase 1: 20MW The PSA shall take effect on January 26, 2022, 00:00H and shall remain effective for a period of ten (10) years. Proposed revision: The PSA shall take effect on January 26, 2022, 00:00H and shall remain effective for a period of ten (10) years subject to the receipt of ERC 's approval. Accordingly, shall the end date be adjusted depending on the issuance of regulatory approvals?	Please clarify the answers provided to the query "ITB Section 4" on page 4 of Bid Bulletin 005 which mention that <b>the commencement of supply is after an ERC Approval</b> vs. the answer in this query as there seems to be an inconsistency.	Ideally, ERC Approval shall be secured but it is not a condition precedent as Regulatory Approval is needed before billing the customers. Thus, Supplier is still required to make delivery on the delivery date January 26, 2022 even without ERC approval.	In case of worst scenario, what if ERC found out violation that it started delivering without their prior approval? Does MORE shoulder the consequences?	<b>What consequences do you foresee? The only consequence that we anticipate is the inability of MORE Power to bill the contracted rate to its customers.</b>
	Phase 1: 20MW The PSA shall take effect on January 26, 2022, 00:00H and shall remain effective for a period of ten (10) years.	Proposed revision: "Subject to the receipt of ERC 's approval, the PSA shall take effect on January 26, 2022, 00:00H and shall remain effective for a period of ten (10) years." The bidder is referring to the regulatory approvals before the PPSA may take effect. The additional wordings take into consideration that ERC is the final approver in this regard.	Ideally, ERC Approval shall be secured but it is not a condition precedent as Regulatory Approval is needed before billing the customers. Thus, Supplier is still required to make delivery on the delivery date January 26, 2022 even without ERC approval.	In case of worst scenario, what if ERC found out violation that it started delivering without their prior approval? Does MORE shoulder the consequences?	<b>What consequences do you foresee? The only consequence that we anticipate is the inability of MORE Power to bill the contracted rate to its customers.</b>
Annual Contract Energy and Minimum Hourly Demand	Annual Contract Energy is at 100% of the Contracted Capacity, Minimum Hourly Nomination is at 50% of Contracted Capacity (MW).	Notwithstanding FM, can the 50% be revisited to a more baseload like utilization rate?	Buyer shall be allowed minimum hourly nomination equivalent to 50% of the contracted capacity in consideration to any forced outage of its substations, distribution lines and any unforeseen failure of its distribution system. However, the Seller is guaranteed 100% energy equivalent of the Contracted Capacity for payment of Fixed Costs (CRF & FOM), subject to adjustment due to Force Majeure, if applicable. The PSPP of MORE shows the load duration curve for 45MW at 95%. With this, Bidder should not worry on the actual energy utilization of MORE.	Is 95% related in terms of demand or energy? The price offer will be based LCOE that imputs 100% energy assumption.	<b>To illustrate, if you have 20 intervals, we can have 18 intervals at 100% and 2 interval at 50%. The same number of intervals, we can have 16 intervals at 100% and 4 intervals at 75%. To the extreme, we can have all intervals at 95%. In all these cases, the resulting load factor will be similar at 95%.</b>
TOR				Regarding the supply type, the power plant shall be compliant with the prevailing DENR and environmental standards. In lieu of this requirement, can we submit CEMS report or the Continuous Emission Monitoring Systems Report since this is also a DENR compliant report?	<b>If it is in compliance with the same standards required by the DENR and if it serves the same purpose then you have the leeway to submit any proof that will show compliance with environmental standards.</b>

All terms, conditions and instructions to bidders specified in the Bidding Documents inconsistent with this Bid Bulletin are hereby superseded and modified accordingly.

For the information and guidance of all concerned.

Issued this 3rd day of August 2021 in Iloilo City, Philippines.



**NIEL V. PARCON**

Chairperson  
Third-Party Bids and Awards Committee