



PANGASINAN I ELECTRIC COOPERATIVE (PANELCO I)
San Jose Bani, Pangasinan
CWDO No. 63928-502-7969 Telefax No. 6375-551-5564
Email: panelco_one@yahoo.com Website: www.panelcoi.com.ph

PANELCO I 5MW POWER SUPPLY PROCUREMENT
TERMS OF REFERENCE
(As revised on July 13, 2020)

NO.	TERM OF REFERENCE	REQUIREMENT
1	Type of Contract	Power Supply Contract
2	Source of Power and Technology	Renewable Energy
3	Power Plant Sites	Should be embedded within PANELCO I's distribution system.
4	Contracted Capacity	5MW, Peaking
5	Contracted Energy (kWh)	7,500,000 kWh, annually.
6	Contract Period	The PSA shall take effect for a period of fifteen (15) years commencing on the Commercial Operation Date ("COD") unless earlier terminated in accordance with the provisions of the PSA.
7	Commercial Operation Date	The next immediate 26th day of the month following the approval of the ERC.
8	Tariff Structure (landed cost)	<p>The price offered must be in the following format:</p> <ul style="list-style-type: none">- Capital Recovery Fee (Php/kWh); no indexation- Fixed O&M Fee (Php/kWh)HI- Variable O&M Fee (Php/kWh)- The Price Adjustment Formula must consider the local Consumer Price Index, and indicate the reference date and the weight of indexation- P/kWh, with certain portions of the base price subject to periodic adjustments based on inflation and foreign exchange fluctuations. <p>* Currency should be in the Philippine Peso (Php) * Include penalties or interest for delayed payments.</p>



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9	Cost items to be passed-on to the captive customers	Capital costs; a.) Fixed and variable operating costs; and b.) Applicable taxes and other costs of generation.
10	Outage Allowance per plant	One Hundred twenty (120) hours Scheduled and One Hundred twenty (120) hours Unscheduled Outage Allowances per plant per year. Any unutilized allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperating period.
11	Force Majeure	During Force Majeure Event, neither Party shall be considered in breach of its obligations to supply or take the Contracted Energy. Cooperative shall be free from its obligation to pay the Capital Recovery Fee and Fixed O&M.
12	Replacement Power	The Supplier shall be responsible to provide replacement power in the following cases: <ol style="list-style-type: none">1. During any delay of the start of delivery of supply; and2. When its power plant is on scheduled or unscheduled outage to ensure continuity of supply in compliance with the cooperation period. Recovery of Replacement Power should be based on ERC approved rate. If said ERC-approved rate is lower than the existing rate, the difference should be translated to lower the actual rate passed on to the consumers. In the event of failure by the supplier to provide the replacement power, the DU shall be allowed to source the replacement power at the expense of the supplier.
13	Regulatory Approvals	The Agreement shall be subject to ERC Approval. Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates (with no material adverse impact on the Project) shall not be a ground for the termination of the contract and PANELCO I should not be made to shoulder the incremental difference.



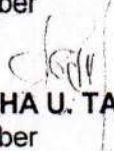
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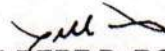
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14	Penalties	Imposition of penalties for the violation of any provision in the PSA, such as but not limited to the following: <ol style="list-style-type: none">1. Compensation for unrealized income plus interest;2. Unilateral rescission of the contract;3. Legal fees; and4. Forfeiture of bonds.
15	Liquidated Damages	One tenth of one percent of one month generation cost (Php/kWhr) for every day of delay from the end of the allowable extension up to six months provided the Parties exhausted all means to cure the said event of default. Once the cumulative amount of liquidated damages reaches ten percent of the amount of the contract, PANELCO I may rescind or terminate the contract without prejudice to other courses of action and remedies available under the circumstances.
16	Construction and Performance security	Construction security in the amount of (Annual contracted demand x rate x 10 %) Performance security in the amount of (Annual contracted demand x rate x 10 %) Both in the form of surety bonds issued by reputable bonding Companies
17	Security Deposit	No security deposit shall be required from PANELCO I.
18	Grounds for termination of the PSA during the Contract Period	Material breach of the defaulting party's obligations under the PSA, subject to a prescribed cure period.
19	Technical Specifications	PANELCO I shall require technical specifications of the power plant for the safe and reliable operation of its distribution network.
20	The Tie Line and Tapping Point Substation/Metering Substation	For the account and responsibility of the Supplier which should specify the tapping scheme. The power plant should be embedded within PANELCO I's distribution system. Voltage level of tapping point should be at 13.2 kV. Its metering facilities should be located at asset boundary.




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21	Technical Capability/Qualification	<ol style="list-style-type: none">1. Supplier or its affiliate must have experience and technical capability/qualification of Management team/consultants comprising of the firm;2. Supplier or its affiliate is required to submit organization and structure as additional document; and3. Consider power supplier with available capacity on or before the COD.
22	Plant ownership at end of contract term	Build-Operate-Transfer arrangement.
23	Others	Supplier must have secured or is in the process of securing a Renewable Energy Service Contract (RESC) from the DOE. Disposal of hazardous materials and equipment must be the responsibility of the Supplier. kWh meter shall be SCADA-ready


WILSON C. ROSARIO
Member

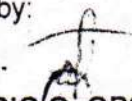

EDITHA U. TADIAM
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GILBERT P. BOTARDO
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Noted by:


DIONISIO O. OPOLENTO JR.
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