

PANAY - GUIMARAS EC POWER CONSORTIUM, INC.



TERMS OF REFERENCE



LOT NO. / REQUIREMENTS	LOT NO. 1							LOT NO. 2						LOT NO. 3							
	Base Load							Intermediary and Peak (Mid-merit and/or Night)						RPS Compliant							
1. Agreement Type	Power Supply Agreement (PSA)																				
2. Type of Contract	Base load - Firmed							Intermediary and Peaking - Firmed						Base load - Firmed							
3. Source of Power	Open Technology							Renewable Energy (Qualified as RPS)						Renewable Energy (Qualified as RPS)							
4. Contracted Capacity	ECs	Capacity Requirement (MW) @ 100%CUF						ECs	Capacity Requirement (MW)					Year	Capacity Requirement (MW) @ 100%CUF						
	Year	CAP	GUI	ILE I	ILE II	ILE III	Total	Year	AKE	GUI	ILE II	ILE III	Total	Year	ANT	CAP	GUI	ILE II	ILE III	TOTAL	
														2023	1			2		3	
	2023	6	1	15	6	4	32	2023		1.5	4	2	7.5	2024	1	5	1	2	1	10	
	2024	6	1	15	6	4	32	2024	10	2.5	4	2	18.5	2025	2	5	1	2	1	11	
	2025	6	1	15	6	7	35	2025	10	2.5	4	2	18.5	2026	2	5	1	2	2	12	
	2026	8	1	15	6	7	37	2026	10	2.5	4	2	18.5	2027	3	7	1	2	2	15	
	2027	8	1	15	6	7	37	2027	10	2.5	4	2	18.5	2028	3	7	1	3	2	16	
	2028	8	1	15	6	7	37	2028	10	2.5	4	2	18.5	2029	4	7	1	3	2	17	
	2029	8	1	15	6	7	37	2029	10	2.5	4	2	18.5	2030	4	7	1	3	2	17	
	2030	8	1	15	6	7	37	2030	10	2.5	4	2	18.5	2031	4	7	1	3	2	17	
	2031	8	1	15	6	7	37	2031	10	2.5	4	2	18.5	2032	4	7	1	3	3	18	
	2032	8			6	7	21	2032	10		4		14	2033	4	7	1	3	3	18	
	2033	8						2033	10				10	2033			1			1	
	5. Contracted Energy			Energy Requirement (MWh) @ 100%CUF						Energy Requirement (MWh) @ 100%CUF						Energy Requirement (MWh) @ 100%CUF					
Year				TOTAL	Year					TOTAL	Year					TOTAL					
2023				280,320	2023					16,425	2023					26,280					
2024				280,320	2024					40,515	2024					87,600					
2025				306,600	2025					40,515	2025					96,360					
2026				324,120	2026					40,515	2026					105,120					
2027				324,120	2027					40,515	2027					131,400					

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		2028 2029 2030 2031 2032	324,120 324,120 324,120 324,120 183,960			2028 2029 2030 2031 2032 2033	40,515 40,515 40,515 40,515 30,660 21,900			2028 2029 2030 2031 2032	140,160 148,920 148,920 148,920 157,680	
6. Capacity Utilization Factor (CUF)	The Capacity Utilization Factor (CUF) should be based from 70% - 100%.				The Capacity Utilization Factor (CUF) should be 50% - 100%				The Capacity Utilization Factor (CUF) should be based from 70% - 100%.			
7. Dispatch Time	0000H-2400H				1000H-2200H and/or as dispatch by the buyer				0000H-2400H			
8. Dependable Capacity, MW	The available un-contracted and dependable capacity of the plant must be higher than the total requirement of the buyer (as aggregated requirement).											
9. Plant Capacity	The plant details should provide the following: <ul style="list-style-type: none"> • Total Installed Capacity • Number of generating units and installed capacity of each unit. • Dependable/dispatchable capacity Other parameters as may be applicable											
10. Interconnection Agreement	Transmission interconnection agreement between NGCP and the Generation company or the Seller. (To guarantee the delivery of contracted supply in agreement to the contract duration period) *Certification from NGCP (approved feasible GIS) for additional installation of the maximum aggregated requirement											
11. Contract Duration	The Seller shall supply the Contracted Capacity (CC) and its equivalent Contracted Energy (CE) to the Buyer as stated to item No. 4 (Contracted Capacity). Buyer will secure their respective contract with the Seller base on the contracted capacity and contract period requirements.											



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12. Availability of Supply	The Seller shall ensure supply or cause the supply of the CC and CE by COD at the Delivery Points throughout the duration of the Cooperation Period.		
13. Schedule of Delivery	Based on the requirements as stated in item No. 4 Contracted Capacity. Confirmation of nomination is required from the Seller.		
14. Delivery point	Delivery Points shall be at the metering point or nodal point of the buyer (usually at NGCP substations) and not on the plant gate of the SELLER's Plant. (SELLER is responsible for line rental).		
15. Tariff Structure	<ol style="list-style-type: none"> The basis of the evaluation of generation cost and implementation of actual rate will be on a yearly <u>INCREMENTAL FIXED RATE</u> for the duration of contracted period. Tariff structure shall be broken down for base year only as a reference during the ERC filing of application but not limited to the following: <ul style="list-style-type: none"> Capacity Fee (Php/kWh); Fixed O&M (Php/kWh); Variable O&M (Php/kWh) Fuel Fee (Php/kWh) Present levelized cost of energy (LCOE) for the duration of the contract. The generation cost will be a <u>fixed rate without any additional passed on charges.</u> Market fees should not be included as buyer's obligation to pay. 		
16. Outage Allowance	<ul style="list-style-type: none"> The Power Plant shall be entitled to seven hundred twenty (720) hours (360 hours -Scheduled and 360 hours - Unscheduled) Outage ("Allowed Outage"). The Allowed Outage shall be computed based on its full load energy or kWh equivalent per billing year. At least 720 hours before any Allowed Outage, Seller shall nominate the number of hours for its Allowed Outages, which shall not exceed to 720 hours or equivalent kWh per billing year. Any un-utilized allowed Scheduled and Unscheduled Outage allowance within a calendar year will not be accumulated for use during the succeeding years of the cooperation period. Buyer's maintenance allowance shall be computed as Maximum demand multiplied by 30 days and by 24 hours. Scheduled outages shall be provided by the supplier as determined by the grid System Operator. No crediting of Outage Allowance from scheduled to unscheduled and vice versa 		
17. Replacement Power	<ul style="list-style-type: none"> <u>During Allowed Outage</u> Seller shall have the right, but not the obligation, to provide the Replacement Power to the Buyer during Allowed Outage. For this purpose, Replacement Power during Allowed Outage shall be billed at Contract Rate. 		



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	<ul style="list-style-type: none"> <u>In Excess of Allowed Outage</u> In the event the Allowed Outage is exceeded, Seller shall supply or cause the supply to the Buyer Replacement Power at its own cost. However, the Buyer shall continue to pay the Seller for the Replacement Power at Contract Rate. <u>In Case of Force Majeure</u> In case of Force Majeure, Seller shall have the right, but not the obligation, to supply Replacement Power to the Buyer. For this purpose, the Seller shall bill the Buyer the Contract Rate, or WESM rates, whichever is applicable. 		
18. Force Majeure (FM)	<p>“Force Majeure” shall mean any circumstances beyond the reasonable control of a Party which effectively prevents such Party from performing its obligations hereunder. Force Majeure events may include without limitation:</p> <ul style="list-style-type: none"> Acts of God; Acts of war or the public enemy, whether war be declared or not declared, invasion, armed conflict or act of foreign enemy, attacks by insurgents, acts of terrorism, blockade, embargo, revolution and public disorders, including insurrection, rebellion, civil commotion, sabotage, riots and violent demonstrations; Floods, tidal waves, explosions, fires, earthquakes, typhoons and other natural calamities; Issuances of executive order or government intervention (e.g. pandemic, closure, etc) Grid outages <p>Distribution Utility and the Power Supplier shall jointly establish plans for operating the power plant during Force majeure. Such plans shall include recovery from a local or widespread electrical blackout. The Power Supplier shall comply with the Emergency procedures and provide contingency plan if a force majeure occurs.</p> <p>The Electric Cooperative shall not be required to make payments for any capacity that is undelivered/unutilized.</p> <p>In case of Force Majeure event as indicated above, minimum energy off-take shall be suspended until the effect of FM ends. Actual consumption shall be pro-rated to all the buyer’s supplier.</p>		
19. RCOA Reduction	<p>The Buyer shall be entitled to a reduction in its Contracted Capacity and Contracted Energy as a result of the transfer of any of the Buyer’s captive customers to the contestable market.</p> <ol style="list-style-type: none"> <u>Scenario 1</u>: If the Transferring Customer transfers to a Retail Electricity Supplier (RES) that is an Affiliate of the Seller, the Buyer shall be entitled to RCOA Reduction provided that: <ol style="list-style-type: none"> That the Transferring Customer was an existing captive customer of the Buyer prior to COD. 		



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	<p>b) Buyer's RCOA Reduction quantity shall be equivalent to the average monthly demand of the Transferring Customer for the 12 months immediately preceding the switching date.</p> <p>2. <u>Scenario 2:</u> If the Transferring Customer transfers to a RES that is not an Affiliate of the Seller and not an Affiliate of any of the Buyer's power suppliers, Buyer shall be entitled to RCOA reduction provided that:</p> <p>a. The Transferring Customer was an existing captive customer of the Buyer prior to COD;</p> <p>b. The average monthly demand of the Transferring Customer for the 12 months immediately preceding the switching date</p> <p>c. Buyer's RCOA Reduction quantity shall be computed using the following formula:</p> <p>Formula:</p> $A_{MW} = \left[\frac{B_{MW}}{\sum C_{MW} + D_{WESMMW}} \right] * [E_{MW}]$ <p>A_{MW} – Seller Carve-Out (in MW) which is equivalent to the reduction of Contracted Capacity due to switching of Contestable Customer (yearly basis from interval 0001H-2400H)</p> <p>B_{MW} – Contract Capacity (in MW) prior to the reduction date</p> <p>$\sum C_{MW}$ – Current Aggregated Capacity (in MW) of suppliers contracted by Buyer, immediately prior to the reduction date</p> <p>D_{WESMMW} – Annual Average Exposure (Purchases, in MW) of Buyer to the Wholesale Electricity Spot Market, immediately prior to the reduction date</p> <p>E_{MW} – Capacity for Switching (in MW), equivalent to the Average Demand of contestable customers for the 12 months immediately preceding the reduction date.</p> <p>The Contract Capacity and Associated Energy shall be reduced equivalent to the reduction in the demand of affected ECs by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law, or other relevant Laws and Legal Requirements.</p>		
20. Currency	Price offer should be in Philippine Peso, Php		
21. Regulatory Approvals	The Power Supplier shall make the necessary adjustment 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 EC should not be made to shoulder the incremental difference.		
22. Penalties	<p>The Supplier shall be penalized with an administrative fee of P0.25/kWh on top of the replacement power cost in cases of the following events and circumstances:</p> <ul style="list-style-type: none"> Delay in Commercial Operation Date (COD); and 		



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	<ul style="list-style-type: none"> Failure of delivery of power. 		
23. Eligibility Requirements	<p>In case the required years of experience are not met, the Bidders may opt to submit detailed plan on how it intends to operate and maintain the generating facilities in accordance with the Philippine Grid and Distribution Codes, existing industry standards and applicable Philippine laws. The detailed plan must state how the bidder shall operate and maintain the generating facilities as well as the experience and technical capability of the persons, whether natural or judicial, who will operate and maintain the generating facilities. The detailed plan must contain the following:</p> <ul style="list-style-type: none"> Executive Summary; Description of the plan for the operation and maintenance of generating facilities; Proposed table of organization including job descriptions, technical qualifications and experience of the management and technical team; and Environmental and social obligations compliance programs. 		
24. Ground for Termination of Contract	<p>The Buyer/Off-taker may terminate the Agreement by written notice to the Supplier in cases of: Events of default;</p> <ul style="list-style-type: none"> Non-occurrence of Commercial Operation Date; Expiration of cooperation period and/or Upon Mutual Agreement; Non-fulfillment of conditions for effective date; Events of Force Majeure; and When the Supplier fails to supply for a period of Sixty (60) days for reason wholly attributable to its fault and/or negligence, provided that, the Supplier fails to take reasonable actions or remedies to solve its inability to deliver capacity and energy. <p>The Supplier may terminate the Agreement by written notice to the Buyer/Off-taker when the Buyer/Off-taker:</p> <ul style="list-style-type: none"> Discontinue operations; Declares bankruptcy; or Any financial obligation of the Customer is not paid when due within any applicable grace period. 		
25. Other terms and conditions	<p>The Supplier shall extend Prompt Payment Discount (PPD) based from the total billed amount (net of VAT) for the following:</p> <ul style="list-style-type: none"> 3.2%, seven (7) working days after receipt of power bill 2.5% ten (10) working days after receipt of power bill 		



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	Other discounts offer by the Supplier shall be included in the evaluation of the levelized offer.		
26. Reservation Clause	<p>In the event that the bid offer or Levelized Cost of Energy (LCOE) throughout the duration of contracted period is higher than the simulated rate impact of any of the participating coop, the JTPBAC has the right to disqualify the said bid offer.</p> <p>The simulated average lowest generation cost of participating coop per lot will be the basis of the reserve/cap rate that will be open during the pre-bid conference.</p> <p>In case of reduction of demand due to the expansion of franchise of other distribution or private utility or other circumstances that may affect the EC's franchise and will eventually result to the transfer of customers or takeover of existing distribution assets or facilities, the contracted demand of affected EC's will have a provision for automatic reduction of demand equivalent to the takeover capacity.</p> <p>In case of the second (2nd) failed Competitive Selection Process (CSP), the PGECPCL can proceed to direct negotiation as provided in DOE Department Circular.</p>		



Prepared by:

TECHNICAL WORKING GROUP:

ENGR. JUDE B. ROPA
Member

MEGA M. ARCENIO, CPA
Member

RICHARD A. GONZAGA, CPA
Member

ENGR. NEAL PETER C. VEÑEGAS
Member

JASPER JOHN A. LOQUIAS, CPA
Member

ENGR. ELNA B. FUENTES
Member

ENGR. EDWIN C. FIGUEROA, PEE
Member

MARYAN G. FARINAS, CPA
Member

ENGR. DANMAR DEMANALATA
Member

ENGR. GC JUNE N. GARANCHON, PEE
Chairperson

ENGR. ROMMIER C. CARO
Member

ARCHIE PADILLO, CPA
Member

ENGR. RAIM A. VILLARIAS
Member