

**ZAMBOANGA DEL SUR ELECTRIC COOPERATIVE I
COMPETITIVE SELECTION PROCESS**

INVITATION TO BID

**Invitation to Submit Proposal for the Supply of 5MW Renewable
Energy to ZAMSURECO I**

1. General Information

Zamboanga Sur I Electric Cooperative, Inc. (ZAMSURECO I) is engaged in the distribution of electricity within its franchise area covering 24 municipalities and the City of Pagadian, in the Province of Zamboanga del Sur. It requires the supply of electricity to meet its power requirements and to comply with the Renewable Portfolio Standards (RPS) mandated by the Government, through the Department of Energy (DOE).

ZAMSURECO I is in need of a qualified supplier to supply 5 MW of intermediate renewable energy to start in the 4th Quarter of CY2022, subject to the approval of the Energy Regulatory Commission (ERC).

2. Minimum Requirement

The minimum requirements of ZAMSURECO I for the supply of renewable energy are provided below:

Terms		Requirements
1.	Type of Contract	Intermediate
2.	Contracted Capacity	5.0MW
3.	Contracted Energy/Load Factor	60 - 67% load factor
4.	Source of Power	<ul style="list-style-type: none"> • Open to all Renewable Energy technology pursuant to DOE's existing Department Circulars and Orders and ERC's rules and regulations • Open to all Generation Companies with existing, under construction, or new power plants • Must be embedded to ZAMSURECO-I's system to address the power quality issues in ZAMSURECO I's franchise area, to save on transmission cost, and provide reactive power support
5.	Contract Term	25 years or upon expiration of ZAMSURECO-I's Certificate of Franchise, whichever comes first.
6.	Target Delivery Date	Start delivery of electricity upon issuance of ERC Provisional or Final Approval of the Supply Effective Date of the PSA not later than 4 th Quarter of year 2022)
7.	Tariff Structure	The Tariff Structure shall be as follows:

		Tariff Component	Unit
		True Cost of Generation Rate	PhP / kWh
		a.) Capital Recovery Fee	PhP / kW / month
		b.) Fixed Operation and Maintenance Fee	PhP / kW / month
		c.) Variable Operation and Maintenance Fee	PhP / kWh
		d.) Fuel Fee	PhP / kWh
		<ul style="list-style-type: none"> Specify formula for base fee adjustment affected by factor such as CPI, FOREX, and Escalation due to fuel degradation and others. No indexation or escalation on Capital Recovery Fee (CRF) Fixed Operation and Maintenance Fee shall be indexed on Philippine Peso Variable Operation and Maintenance Fee shall be indexed on FOREX and Philippine CPI Fuel is passed on charge based on actual market price but limited to guaranteed fuel rate per Li/kWhr Lube oil is based on local market price (Li/kWhr) For RE, CRF, can be indexed to average FOREX during construction period Present levelized cost of electricity for the duration of the contract. The Bidder must fill-up the Total Project Cost Template, as deemed applicable, and may present basis and calculation of fees proposed to be provided by ZAMSURECO-I 	
7a.	Tariff Ceiling	ERC-Approved Feed-In Tariff (FIT) Rates	
8.	Rate currency	Philippine pesos	
9.	Billing Metering Point	<ul style="list-style-type: none"> 13.2 kV ZAMSURECO I metering point, preferably at San Jose (Aurora) Substation. Cost of Connection shall be borne by the winning bidder/party. 	
10.	Outage Allowance Per Year	<p>The breakdown of Scheduled and Unscheduled Outages shall be indicated as follows:</p> <ul style="list-style-type: none"> Scheduled Outages – average is 30 days, for each Contract Year during which times reduced or no deliveries will be available to the Buyer Scheduled outages shall be provided by the supplier as determined by the Grid System Operator Unscheduled Outages – average is fifteen (15) days, for each Contract Year during which times reduced or no deliveries will be available to the Buyer 	

		<p>In the event that the supplier failed to deliver the scheduled contracted energy, the supplier shall be liable of the deficiency, thus, will pay a deficiency fee to the off-taker.</p> <p>Unutilized outages shall not be accumulated for use during the succeeding year.</p> <p>Scheduled outages shall be declared by the Supplier at the start of each operating year. The actual schedule shall however be determined by the ZAMSURECO-I System Operator.</p> <p>For planned outages, at least two (2) advance notice before the day of the outage.</p> <p>For unplanned outages, the Supplier shall inform ZAMSURECO-I immediately on the time interval the outage occurred.</p>
11.	Replacement Power	<p>During any period of outage beyond the Allowable Outage, the Power Provider shall be responsible in providing the EC with replacement power from the Grid at the Power Provider's expense to ensure continuity of supply in compliance with the Cooperation Period.</p> <p>If the outage of the power station extends beyond the allowable outage, except for reasons other than Force Majeure events, the power provider shall shoulder the additional costs over and above the Contract Price if the EC continues to draw replacement power from the grid or other sources.</p> <p>Replacement power shall be the obligation of the Supplier. In the event of failure by the Power Provider to provide the contracted capacity or no available replacement power from the Grid or other sources, the EC shall be allowed to source the replacement power at the expense of the Power Provider. The Power Provider for its penalty, shall deduct the amount of replacement power not supplied from the Contract Capacity.</p> <p>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 consumer.</p> <p>The Power Provider shall indicate its replacement power plant, which should be an RE power plant. If not, the Supplier must provide the necessary REC.</p>

12.	Force Majeure	<p>ZAMSURECO-I and the winning bidder shall determine the Force Majeure events, and establish the action plans to be followed by both parties.</p> <p>ZAMSURECO-I shall not be required to make payments for any of the following:</p> <ol style="list-style-type: none"> 1. Capacity that is unavailable 2. Capacity that it cannot accept <p>During force majeure, actual metered quantity shall be applied. Penalties on the off-taker shall not be imposed.</p> <p>No penalty shall be imposed on ZAMSURECO-I if there is reduction of energy purchased due to the implementation of Retail Competition and Open Access (RCOA). Revision of monthly minimum energy off-take shall be undertaken by both parties.</p> <p>Neither party shall be liable for any failure or delay in the performance of its obligations under the PSA if such failure or delay arises out of, but only to the extent caused by, any event of Force Majeure; Provided that the relief granted by the condition in the Force Majeure shall be available only if and to the extent that the Party claiming has and continues to take all steps reasonably within its control to mitigate the effects of such Force Majeure event, and in no event shall late payment or non-payment of money due be excused by any event of Force Majeure.</p> <p>The Party seeking to rely on an event of Force Majeure to excuse failure of delay in the performance of its obligations pursuant to the above condition hereof shall notify the other party as soon as reasonably possible of the nature of the force majeure claimed and to the extent the Force Majeure claimed affects the party's obligation under the Force Majeure and such Party shall resume the performance of its obligations as soon as reasonably possible after the event of Force Majeure ceases to exist.</p> <p>Such other Force Majeure conditions shall be included in the PSA, including Epidemic/Pandemic and all other calamities subject to local and national government regulations and policies.</p>
13.	Nomination Protocol	<ul style="list-style-type: none"> • Non-binding year-ahead, month-ahead and week-ahead nominations • WESM nomination protocol to apply
14.	Security Deposit	75% of estimated monthly power bill adjusted annually, based on 12-month average energy offtake

15.	Regulatory Approvals	<ul style="list-style-type: none"> • ZAMSURECO I and the winning bidder shall jointly file with the ERC the application for approval • The winning bidder shall shoulder the cost associated with the ERC application to include publication of the Joint Application • Any downward adjustment shall not be a ground for contract termination • The Power Provider shall make the necessary adjustments in accordance with the directives of the ERC. • The EC, ZAMSURECO-I, should not be made to shoulder the incremental difference. • The terms and conditions under the PSA shall be subject to approval of ERC.
16.	Line Rental	Due to the commercial operation of the WESM in Mindanao, the winning bidder shall be required to shoulder the line rental charge
17.	Eligibility Requirements	<ul style="list-style-type: none"> • If consortium, the bidder shall comply with the 60:40 ownership rule under the conditions in 1987 Philippine Constitution • Bidders should show proof of management/technical personnel's experience in the power industry. • Bidders should show proof of legal, technical, and financial capability • Bidders should show existing DOE RE Service Contract and other requirements, permit and license. • Bidders shall submit an undertaking that it will employ a team of experts in operations and maintenance of generation facilities. In addition, the Bidder must specify the following: <ul style="list-style-type: none"> (a) The technical capability/qualifications of the technical staff to be deployed and the indicative organizational structure for the said generating facility; (b) Experience and technical capability /qualification of the Management Team/Consultants comprising the firm.
18.	Construction of the transmission lines	<ul style="list-style-type: none"> • To be shouldered by the winning bidder
19.	Grounds for termination of Contract	<ul style="list-style-type: none"> • The Off-taker may terminate the Agreement by written notice to the Supplier in cases of: <ul style="list-style-type: none"> (a) Events of default (b) Non-occurrence of Commercial Operation Date (c) Expiration of cooperation period and/or upon mutual agreement (d) Non-fulfillment of conditions for effective date

		<p>(e) Events of force majeure; and</p> <p>(f) 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> <p>On the other hand, the Supplier may terminate the Agreement by written notice to the Off-taker when the Off-taker:</p> <p>(a) Discontinue operations (b) Declares bankruptcy; or (c) Any financial obligation of the Customer is not paid when due within any applicable grace period.</p>
20.	Take-off Structure	<p>Design of take-off structure from the power plant to the designated ZAMSURECO I Connection Point/s to the ZAMSURECO I system including the associated Connection Asset, protection, disconnecting or interrupting means for the embedded generation shall be designed and provided by the Power Provider. The location of the Connection Point shall be in the approved connection by the Electric Cooperative during the conduct of the Distribution Impact Study or the System Impact Study by the Power Provider to achieve optimum effect on voltage correction of the ZAMSURECO I system. Likewise, the Facility Study associated with this connection shall be for the account of the Power Provider.</p>

Minimum requirements for the Power Plant:

Terms		Requirements
1.	Type of Plant	Any eligible RE plant that can provide Intermediate power supply
2.	Source of Fuel	Renewable
3.	Location	Should be located at the Coverage Area of ZAMSURECO-I
4.	Output Voltage	13.2 kV, Line to Line
5.	Installed Capacity	At least 6MW
6.	Net Maximum Capacity	5 MW
7.	Power Factor	0.90
8.	Metering	Demand and Energy
9.	Metering Point	ZAMSURECO-1 Substation
10.	Distribution Impact Study	Should show impact of power plant to ZAMSURECO-I's distribution system

3. Indicative Schedule

The Competitive Selection Process (CSP) for the supply of the above-mentioned capacity shall adhere to the following schedule of activities, to wit;

Activity	Time	Date
Publication of Invitation to Bid		September 24, 2021 & October 2, 2021
Submission of Letter of Intent		September 24 to October 15, 2021
Issuance of Bid documents		September 24 to October 15, 2021
Pre-bid conference	10:00 AM	October 8, 2021
Issuance of Bid Bulletins and Final Instruction to Bidders, if any		Between September 24, 2021 to October 15, 2021
Deadline of Submission of Bids	9:00 AM	October 22, 2021
Opening and Detailed Evaluation of Submitted Bids		October 22 - 24, 2021
Post-Qualification of Bid		October 25 - 27, 2021
Confirmation of ZAMSURECO-I Board of Directors	1 st and 3 rd Tuesday of the Month	November 9, 2021
Issuance of Notice of Award to Winning Bidder		November 10, 2021
Final Evaluation of PSA by NEA		November 17, 2021
Issuance of Notice to Proceed on the Signing of PSA		November 18, 2021
Signing of PSA		November 18, 2021
Filing of Joint ERC Petition for Approval of PSA		December 6, 2021

4. Instruction to Bidders

Interested bidders may submit a Letter of Intent (LOI) and pay the non-refundable participation fee of PhP 100,000.00 on or before October 15, 2021. Upon receipt by the Secretariat of the LOI and payment, the Eligibility Requirements shall be provided to the bidder.

Clarifications on the eligibility requirements and/or any other documents shall be entertained on or before October 15, 2021. Qualified bidders that meet the Eligibility Requirements shall be allowed to submit bid proposals.

All submissions shall be addressed to the TPBAC Chairman through the Secretariat at email address *zamsureco1.inc@gmail.com*. In view of the community quarantine being imposed by the government, bid proposals may be submitted electronically at the aforementioned address. However, original copies of the bid proposal shall be submitted to and shall be received by the Secretariat on or before October 22, 2021 (9:00am).

Any change on the schedule shall be communicated through Bid Bulletins and emailed to the Qualified Bidders.



Date: 24 September 2021

**THIRD PARTY BIDS AND AWARDS COMMITTEE
ZAMSURECO I**

By:


MS. AZUCENA A. LAGURA
TPBAC Chairperson

Noted/Approved:


MR. JOSE RAUL A. SANJEL
General Manager & CEO