

ANGELES ELECTRIC CORPORATION
COMPETITIVE SELECTION PROCESS FOR THE SUPPLY OF RENEWABLE ENERGY FROM
ELIGIBLE RENEWABLE ENERGY RESOURCES

NAME OF BIDDER: SN Aboitiz Power-Benguet, Inc.

| Section | TOR/ITB/PSA Provision | Comments/ Questions | AEC TPBAC Response |
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| General Comment | Publication of TOR on newspaper | Please confirm that AEC published the CSP in the newspaper for two (2) publications particularly the Terms of Reference. This is part of requirement in the joint filing with AEC to ERC for the approval of the RE PSA. | <p>Only the Invitation To Bid (ITB) is required in the DOE CSP Circular to be published in the newspapers.</p> <hr/> <p>8.5. Publication and Posting</p> <p>The TPBAC, Joint TPBAC or TPA shall cause the publication and posting of the Invitation to Bid for the procurement opportunity in accordance with this Policy for the period specified therein.</p> <hr/> <p>8.5.2. The TPBAC, Joint TPBAC or TPA shall also cause the publication of the Invitation to Bid in a newspaper of general circulation once weekly for two (2) consecutive weeks.</p> <hr/> <p>AEC ITB was published at The Manila Times on Oct. 10 and 17, 2021.</p> |

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| Annex 2 - PSA Template | <p>3.1. RE Certificates – AEC shall be entitled to the RE Certificates generated by the Nominated RE Facility that were declared as BCQ. RE Supplier shall grant AEC access to the Metering Quantity (MQ) of the Nominated RE Facility. AEC may then use the RE Certificates for compliance of its RPS obligations or sell any excess RE Certificates to the RE Market.</p> | <p>1: Please confirm if the basis of the reconciliation of required number of RE certificates shall be the data issued by the RE Registrar which is the sole entity authorized by law to issue the RE certificates.</p> <hr/> <p>2: Please confirm that partially RPS eligible plants are allowed as long as the capacity eligible is sufficient to cover the 13 MW requirement of AEC.</p> <p>For example, plant A has 40 MW of certified RPS capacity out of its 100 MW rating, plant A is still qualified to join since 40 MW > 13 MW requirement of AEC?</p> | <p>1. This is for the RE Registrar and DOE to determine.</p> <p>2. All RE declared as BCQ and delivered to AEC should be RPS-eligible.</p> |
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| <p>Annex 3 - BCQ Nomination</p> | <p>Hourly Nomination</p> | <p>1: Please confirm that the quantities stated in the submitted BCQ nomination shall be the minimum hourly quantities that AEC will be nominating to the winning bidder.</p> <p>AEC confirms that the nominated BCQ shall be the minimum hourly contract quantities</p> <hr/> <p>2: Please confirm that the 107% applies on each hour implying that the maximum demand that AEC may nominate is the base value as reflected in the file * 107%.</p> <p>AEC confirms that the 107% may apply on each trading interval, including the 13,000kW intervals.</p> |
| <p>Annex 4 - Bid Form Proposal</p> | <p>Price Proposal for each Contract Year</p> | <p>1: Please confirm that Price per year as required in the form is already net of the following : Discounts [If any], Line Rental [if any] and Escalation [if any]. For example : Generation Rate of Php 4 / KWh, Discount of Php 0.50 / KWh, Line Rental Cap of Pp 0.50 / KWh and 0% escalation so the number that we will reflect on the form is $Php\ 4 - 0.50 - 0.50 = Php\ 3 / KWh$.</p> <p>Offered price/year should not include discounts, line rental, etc. AEC TPBAC will calculate impact of discounts, line rental, etc. during evaluation of bids.</p> <hr/> <p>2: Please confirm if we need to explicitly state the components of the price as reflected in the bid form through an additional document. Or any pricing factors beside the generation rate shall only be indicated in the PSA? If yes to explicitly stating the components, do we add another page to the bid form proposal specifying the factors considered?</p> <p>No need to explicitly state component of price/year. Winning bidder will justify components of price to ERC during PSA application.</p> |

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| Section 3 | Timetable | <p>As observed in the schedule of CSP activities, there is no schedule for Due Diligence. May we request the TPBAC to provide necessary documents for Due Diligence to be requested by the Bidder?</p> <p>Due Diligence will be done by AEC TPBAC during pre-qualification, evaluation and contract negotiations.</p> |
| Nature of Requirement | <p>Wholesale supply of Renewable Energy (RE) catering to daytime peak load from 6am to 6pm.</p> | <p>Suggestion : Wholesale supply of Renewable Energy (RE) from RPS eligible facilities catering to daytime peak load from 6 AM to 6 PM.</p> <p>Rationale : This is to specify that this CSP is for RPS requirements and thus RPS eligible facilities are required and not just RE facilities.</p> <p>Noted. This will be clarified in the bid bulletin.</p> |
| Reserve Price | <p>AEC has established a Reserve Price, or a price cap, upon which the bid price of the qualified bidders cannot exceed. The Reserve Price will not be disclosed to the bidders until the Bid Opening Date.</p> | <p>Suggestion : To facilitate better offers from potential bidders, is it possible to request just the basis of the reserve price? Since disclosure of the price point shall be on bid opening.</p> <p>Basis is for AEC to avoid high-priced generation cost.</p> |
| Price Components | <p>Price/kWh at current prices, preferably without indexations, covering the following, as applicable:</p> <ol style="list-style-type: none"> 1. Energy (Fuel) fee, if any; 2. Discount/s, if any; 3. Other proposed terms, if any. | <p>1: Please confirm if the potential supplier is not required to indicate any indexation formula and the only requirement is to reflect the effective rate each year on Annex 4 - Bid Form Proposal.</p> <p>No need to indicate indexation formula. This is for the winning bidder to justify before ERC during PSA application.</p> <hr/> <p>2: Please confirm if discounts and its basis are required to be reflected in the bid form proposal or just in the PSA.</p> <p>Proposed PPD rate may be indicated in Sec. 2.4 of the RE PSA template.</p> |

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| Period of Validity of Bids | Bids shall remain valid for One Hundred Eighty (180) days from date of deadline of submission of bids prescribed by AEC. | Please confirm if this means bid is to be valid until May 24, 2022 Yes, bids must be valid until 24 May 2022. |
| Performance Bond | Winning Bidder shall post a Performance Bond of PhP 15 Million as a condition precedent to the signing of the PSA. The Performance Bond shall be in the form of Cash, Manager's/Cashier's check from a reputable bank, or a Stand-By Letter of Credit (SBLC) from a reputable bank. The Performance Bond should be valid until May 25, 2023. If an SBLC will be used, it must be callable upon demand without need for clearance or approval from winning bidder | Kindly clarify that in case winning bidder, the Bid Security will be returned to the bidder in exchange of this Performance Bond? Is the validity of the Performance Bond really until May 25, 2023 only? Bid security will be returned in exchange of the Performance Bond. Validity of Performance Bond is up to 25 May 2023. |
| Power Supply Agreement (PSA) | Pro-forma PSA template supplied with the Bid Package shall be used as primary reference. | Kindly confirm if draft PSA is part of requirement to be submitted, if so, under what requirement/folder? Draft PSA is part of bid document requirements to be included in the 2nd (financial) folder. |

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| <p>Section 7 Clarification of Bidding Documents</p> | <p>Prospective Bidders may request AEC for further information or clarification of the Bidding Documents via email indicated in the Invitation for Bid. AEC will respond in kind to any request for information or clarification of the Bidding Documents received by AEC not later than three (3) days prior to the deadline for submission for Bids. AEC's response will be sent via email to all qualified bidders who have received the bidding documents.</p> | <p>May we ask the TPBAC if there will be an issuance of Final ITB or final updated bid documents incorporated with the revisions and clarifications on the bid documents.</p> <p>Yes, a bid bulletin and amended bid documents will be issued to inform prospective bidders.</p> |
| <p>Section 9.1.1</p> | <p>Plant Details: Nominated Plant Name Location Connection Node Technology Contract Energy per year, kWh Equivalent Contract Capacity, kW Guaranteed Plant Factor</p> | <p>Kindly clarify the Contract Energy per year and Equivalent Contract Capacity being asked in this plant details.</p> <p>Contract Energy per year, kWh and Equivalent Contract Capacity, kW, are the capacity and energy already committed to other parties. This is to ascertain the available capacity and energy free for further contracting under this CSP.</p> <p>Will AEC provide a template for this or in free form? No template.</p> |
| <p>Section 10.1 a</p> | <p>A Bidder must be a duly incorporated and validly existing domestic partnership or corporation at least 60% of the capital of which is owned by Filipinos and registered with the Securities and Exchange Commission ("SEC").</p> | <p>May we ask if the General Information Sheet and Articles of Incorporation will satisfy this requirement?</p> <p>Yes, latest GIS and AOI will satisfy this requirement.</p> |
| <p>Section 10.1 f</p> | <p>Bidder and any of its Affiliates must have no record of Unsatisfactory Performance, unless this qualification is otherwise waived by AEC.</p> | <p>May we clarify what particular document is required?</p> <p>Authorized representative must certify under oath that bidder and any of its affiliates have no such record of unsatisfactory performance.</p> <p>May we ask for a template for this? No template.</p> |

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| Section 10.1 g | Bidder and any of its Affiliates must not be included in a blacklist issued by any governmental agency of the Philippines or in the Debarred and Cross-Debarred Firms & Individuals list posted in the World Bank website (www.worldbank.org/debarr), whether as an individual contractor, partnership or corporation or as a member of a joint venture or consortium. | <p>May we clarify what particular document is required? May we ask for a template for this?</p> <p>Authorized representative must certify under oath that bidder and any of its affiliates have no such record of being black-listed, debarred or cross-debarred.</p> <p>No template.</p> |
| Section 10.1 h | Bidder and any of its Affiliates must not have any Outstanding Dispute or pending/outstanding financial obligation/s with AEC, unless this disqualification is waived by AEC. For this purpose, "Outstanding Dispute" refers to any pending judicial, administrative or alternative dispute resolution proceeding between the Bidder or any of its Affiliates, on one hand, and AEC, on the other | <p>May we clarify what particular document is required?</p> <p>May we ask for a template for this?</p> <p>AEC will determine this for itself. No template.</p> |
| Section 10.1 i | Bidder must be authorized under its articles of incorporation, constitutive or charter documents or its equivalent, to engage in the business of power generation and supply of electricity contemplated under the Power Supply Agreement. | <p>May we clarify what particular document is required?</p> <p>May we ask for a template for this?</p> <p>This can be ascertained in the primary & secondary purposes of the bidders AOI.</p> |

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| Section 10.2 a | Bidder must identify the proposed power plant (“Nominated Power Plant”). The Nominated Plant must be capable of supplying the Contract Energy to AEC for the required Contract Period beginning on the Target Commercial Sale Date, after considering energy and capacity already committed to other off takers. | <p>Please confirm if the bidder is required to provide a separate document certifying that it has sufficient capacity to supply the requirements of AEC.</p> <p>If yes, will AEC be providing a template for the document or is this in free form?</p> <p>A certification under oath must be executed to attest that the nominated plant is capable of supply the contract energy to AEC for the contract period after considering capacity and energy already contracted to other off-takers. No template for this.</p> |
| Section 10.2 b | In relation to the Nominated Power Plant, Bidder must provide evidence that the Bidder or its direct shareholders is the owner of, and Controls, the Nominated Power Plant and has sufficient authority to enter into the power supply agreement with AEC. | <p>May the TPBAC confirm if Secretary's Certificate will suffice this requirement?</p> <p>Proof of ownership of nominated plant, IPPA, AOI, latest GIS, Sec. Cert. and SPA, among others, will satisfy this requirement.</p> |
| Section 10.4 | Qualification Documents for Submission. For clarity, the following shall comprise the Qualification Documents: | <p>Kindly confirm that only the document requirements under this section are required in the bid submission?</p> <p>10.4 is a checklist for the TPBAC to follow to determine eligibility of bidders for the legal and technical qualifications.</p> |
| Section 10.5 | Qualified bidder or its duly authorized representative shall certify under oath that each of the documents submitted in satisfaction of the eligibility requirements are based on authentic documents of the bidding corporation/partnership, and that they are a true and faithful reproduction of the originals | <p>Please confirm that this is also a part of bid requirements. If yes, under what qualification requirements and folder?</p> <p>Certification must identify and enumerate the accompanying documents submitted in each folder.</p> |

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| <p>Section 22 Bid Evaluation</p> | <p>Bids who have qualified will be ranked based on their Lowest Calculated Bid. The Lowest Calculated Bid includes: a. The Average Offered Price per kWh for the term of the PSA; b. Discounts, if any; c. Line Rental, if any; d. Systems Loss, if any, and; e. Transmission Charge, if any. Contract negotiations will take place with the Lowest Calculated Bid. If there is meeting of the minds on the terms and conditions of the RE PSA, the Contract will be awarded to that Lowest Calculated Bid. If there is no meeting of the minds, contract negotiations will move on to the next Lowest Calculated Bid until a meeting of the minds is reached between the parties.</p> | <p>1: Please confirm that Systems Loss and Transmission Charge shall be computed by AEC and that the potential supplier will not be providing any data prior the bid evaluation.</p> <p>Yes, bidder need not submit data on SL and Transmission Charge.</p> <hr/> <p>2: Please confirm if submission of Line Rental data is still required even if the potential bidder will not be providing any cap or consideration in its offer.</p> <p>LR data is required if bidder will designate its node as the metering point. LR data will no longer be required if AEC's node at Mexico Substation will be designated as the metering point.</p> |
| <p>Other Matters</p> | | <p>Due to the current pandemic situation, will AEC allow electronic signature? Yes.</p> <p>In order for bidders to give our best offer, may we request for AEC's 1 year pre-pandemic load profile? (as part of Due Diligence)</p> <p>AEC will provide its 2023 forecasted daily load profile contracted capacity and uncontracted captive market load profile.</p> <p>Based on DOE directive, forecast was based on <i>business-as-usual scenario (pre-pandemic condition)</i>. Request will also be referred to AEC management.</p> <p>May we request for AEC's Aging Report (AR) for the period (2019-2020)? (as part of Due Diligence)</p> |

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| | | <p>Request will be referred to AEC management.</p> <p>If there are inconsistencies between the bid docs (ITB, TOR, Bid Bulletins, etc.) versus the signed and ERC approved PSA, which provisions/document shall prevail?</p> <p>ERC-approved PSA provisions will prevail.</p> |
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