



**INVITATION TO BID**  
**CONTRACT CAPACITY OF 1,200 MW (NET), COD 2024**

Pursuant to the Department of Energy (“**DOE**”) Circular No. DC2018-02-0003, Series of 2018, Manila Electric Company (“**Meralco**”), through the Third Party Bids and Awards Committee (“**TPBAC**”), **hereby invites all interested and qualified parties (each, a “Bidder”)** to participate in the competitive bidding (“**Bidding**”) in respect of the following proposed supply of electricity:

**Terms of Reference Table (“TOR Table”)**

|  |   |
|--|---|
| <b>Contract Capacity</b>                                   | 1,200 MW (net)  |
| <b>Scheduled Commercial Operations Date (“<u>COD</u>”)</b> | <ul style="list-style-type: none"> <li>• First unit by March 2024; and full Contract Capacity by September 2024.</li> <li>• In case Plant has four (4) units, two (2) units must attain COD by March 2024.</li> </ul>   |
| <b>Required Contract Period</b>                            | Twenty (20) Contract Years from September 2024  |
| <b>Plant Type</b>  | <ul style="list-style-type: none"> <li>• Baseload (firm and dispatchable)</li> <li>• Plant to achieve commercial operations not earlier than Scheduled COD</li> </ul>   |
| <b>Technical Parameters</b>                                | <ul style="list-style-type: none"> <li>• Maximum of two (2) plant sites, with one Delivery Point (for purposes of settlement and transfer of risk and loss), which Delivery Point should be within the Luzon Grid and nearest to Meralco’s load center</li> <li>• If multiple units, minimum of 300 MW (net) per unit, which shall have the same fuel type and Guaranteed Net Plant Heat Rate (GNPHR)</li> <li>• Bidder shall offer fuel source from high efficiency, low emission (“HELE”) technology</li> </ul> |

|                                       |   |
|---------------------------------------|---|
|                                       | <ul style="list-style-type: none"> <li>• No capacity and electrical output of the Plant shall be contracted under an agreement apart from said PSA</li> <li>• If Bidder is under a partnership or consortium, must be evidenced by an agreement showing that their liability in this Bidding and the resulting Power Supply Agreement ("<b>PSA</b>") is solidary.</li> </ul>  |
| <b>Tariff Structure</b>               | <ul style="list-style-type: none"> <li>• Two-part Tariff consisting of Fixed and Variable Costs (inclusive of separate line item proposal for Line Rental cap)</li> <li>• Capital Recovery Fee component of the Tariff should be fixed for the whole Required Contract Period and in Philippine currency</li> <li>• No Take-or-Pay on Variable Costs, which includes Fuel and VOM</li> <li>• Bidder's Proposed Price (for the first Contract Year) and its Levelized Cost of Electricity (LCOE) are both subject to a pre-determined Reserve Price, which will only be revealed by the TPBAC to Qualified Bidders during the opening of the Bids</li> </ul> |
| <b>Outage Allowance ("<u>OA</u>")</b> | <ul style="list-style-type: none"> <li>• Scheduled OA not exceeding thirty (30) days</li> <li>• Major Maintenance Scheduled OA not exceeding twenty (20) days, not more than four (4) times during the Required Contract Period</li> <li>• Forced OA not exceeding fifteen (15) days</li> <li>• No carry-over of OA</li> </ul>  |
| <b>Replacement Power</b>              | <ul style="list-style-type: none"> <li>• If COD has not occurred as scheduled, (a) Power Supplier, for each day of unexcused delay, shall procure Replacement Power up to the capacity of the relevant Unit/s, to be paid for by Meralco at the lower between WESM price and the Price; or (b) if Replacement Power is not available, pay Meralco Nine Hundred Eight Philippine Peso (PHP908) multiplied by each MWh during a Day not replaced with Replacement Power until the day preceding, the earlier of: (x) the COD and (y) the date sixty (60) Days</li> </ul>  |

|  |  |
|--|--|
|  | <p>after the Delay Limit Date (as defined in the PSA template)</p> <ul style="list-style-type: none"> <li>• After COD, Replacement Power will be provided in the following manner: <ul style="list-style-type: none"> <li>a. If within Forced OA, to be provided by Power Supplier and paid for by Meralco at the Price.</li> <li>b. If within Scheduled and Major Maintenance OA, to be purchased by Meralco.</li> <li>c. If beyond OA, to be provided by Power Supplier and paid for by Meralco at the lower between WESM price and the Price.</li> </ul> </li> </ul> <p>If Power Supplier can not provide Replacement Power from WESM due to inadequate supply or from any other source, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PHP908) multiplied by each MWh during a Day not replaced with Replacement Power, which shall be used to reduce the generation charge to the consumers.</p> |
| <b>Delay in COD</b>  | <p>Parties shall meet and confer about the terms on which the PSA may be continued. If agreement is not reached within sixty (60) Days of the Delay Limit Date, the PSA may be terminated by Meralco and the Performance Security may be forfeited.</p>  |
| <p><b>Assignment or Transfer of Contract Capacity</b></p> <p><b>Reduction in Contract Capacity</b></p> | <p>The Contract Capacity and Associated Energy that is no longer required by Meralco may be assigned or transferred to another entity.</p> <p>The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of Meralco by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law and other Laws and Legal Requirements.</p>  |

|                                   |   |
|-----------------------------------|---|
| <b>Grounds for Termination</b>    | <ul style="list-style-type: none"> <li>• Event of Default</li> <li>• Non-Fulfilment of Conditions to Effective Date</li> <li>• Non-Occurrence of Commencement Date or COD</li> <li>• Certain Events of Force Majeure</li> <li>• Expiration of Term</li> <li>• Upon Mutual Agreement</li> <li>• Change in Circumstances</li> </ul> |
| <b>Other Relevant Information</b> | Should TPBAC receive less than two Expressions of Interest (as defined below) <b><u>by four o'clock in the afternoon (4:00 PM) of 29 July 2019</u></b> (Expression of Interest Deadline), it shall declare a failure of the Bidding process.  |

Upon payment of a non-refundable fee of Six Million Pesos (PHP6,000,000.00), VAT-inclusive ("**Participation Fee**"), and submission of accomplished Expression of Interest and Confidentiality Undertaking in the form and substance made available on Meralco's website, parties interested to participate in the Bidding may become Interested Bidders and obtain a copy of the Bidding Documents from Meralco's **Third Party Bids and Awards Committee ("TPBAC") – Secretariat receiving office** located at **2/F Technical Services Building–Procurement Office, MERALCO Compound, Ortigas Ave., Brgy. Ugong, Pasig City, from Mondays to Fridays (excluding holidays), until 4:00 in the afternoon (4:00 PM) of 29 July 2019 ("**Expression of Interest Deadline**").** The Participation Fee must be paid at **Cashiering, Ground Floor, Lopez Building, Meralco Compound, Ortigas Ave., Brgy. Ugong, Pasig City**, by manager's check issued by a bank in the Philippines payable to "Manila Electric Company".

The TPBAC shall conduct a Pre-Bid Conference at **1:30 to 4:30 in the afternoon on 9 August 2019** at the **Procurement Conference Room, 2/F Technical Services Building, MERALCO Compound, Ortigas Ave., Brgy. Ugong, Pasig City**. Only the Interested Bidders' authorized representative/s indicated in the Expression of Interests are allowed to attend and participate in the Pre-Bid Conference (and the Bidding process), together with the DOE and ERC observers invited by the TPBAC.

In order to qualify to bid, an Interested Bidder must submit to the **TPBAC–Secretariat receiving office, from Mondays to Fridays (excluding holidays), on or before 9:00 in the morning (9:00 AM) of 10 September 2019** (the "**Bid Submission Deadline**"), three (3) separate envelopes containing its (a) Qualification Documents (Envelope 1) to demonstrate its

compliance with all the Legal Qualification Requirements, Technical Qualification Requirements and Financial Qualification Requirements (“**Qualification Requirements**”); (b) Technical Proposal (Envelope 2); and (c) Bid, including the Bid Security equivalent to Three Billion and Six Hundred Fifty Million Pesos (PhP3,650,000,000.00), and in the form and substance required by Meralco (Envelope 3). An overview of these Bid Requirements may be viewed on Meralco’s website at (<https://company.meralco.com.ph/news-and-advisories/>) and at the Department of Energy (DOE) E-based Power Procurement Information Portal (“**DOE E-based Portal**”). After which, the opening of the said submissions and Bid will proceed at **9:30 in the morning (9:30 AM) of the same day** at the **Procurement Conference Room, 2/F Technical Services Building, MERALCO Compound, Ortigas Ave., Brgy. Ugong, Pasig City**. Only the Interested Bidders that timely submitted its submissions (represented by their authorized representative/s named in their Expression of Interests) are allowed to attend and participate in the opening of the submissions and Bid, together with the DOE and ERC observers invited by the TPBAC.

Late submissions and requests for additional time shall not be accepted/allowed in all stages of the Bidding.

### **CERTIFICATION**

As Chairman of Meralco’s Third Party Bids and Awards Committee (TPBAC), I hereby certify that this Invitation to Bid, including the Terms of Reference and its accompanying Bid Requirements, were circulated and approved by the TPBAC at Pasig City, Philippines.

*(sgd)*

**Atty. Ferdinand A. Domingo**  
Chairman