



PAMPANGA II ELECTRIC COOPERATIVE, INC.

San Roque, Guagua, Pampanga 2003

Tel. Nos. (045)9002650; 9000611; 9001294

TERMS OF REFERENCE		
Particular	Requirement	Details
Contract Capacity	➤ 15,000 kW	<ul style="list-style-type: none"> ➤ Peaking ➤ Embedded ➤ Conventional ➤ Brand New ➤ Located at Porac, Pampanga ➤ Firm ➤ Power Supplier shall have operated at least one existing power plant of the same technology it proposes and has an ERC approved Power Supply Agreement (PSA) in the Philippines. A certification from ERC is required.
Contract Term	➤ 15 years from Commercial Operations Date ("COD")	<ul style="list-style-type: none"> ➤ Power Supply Agreement ("PSA") under a Build-Operate-Own Program for PELCO II ➤ Target COD shall be twelve (12) months from the issuance of Notice to Proceed ("NTP")
Contract Energy	➤ None	<ul style="list-style-type: none"> ➤ No take-or-pay volume ➤ No minimum energy off-take
Nominations	➤ Intra-day revisions allowed	<ul style="list-style-type: none"> ➤ PELCO II may revise the nominations stated in its day-ahead nominations, subject to dispatch ramp rates and in accordance with the WESM Rules and Operating Procedures.
Outage Allowance	➤ Shall not exceed 720 hours per contract year	<ul style="list-style-type: none"> ➤ Should be broken down into: <ol style="list-style-type: none"> 1. Scheduled outages and; 2. Unscheduled/Forced outages ➤ Unutilized equivalent hours for Scheduled and Forced outages in any contract year shall not be carried forward to subsequent contract year/s.

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Tariff Structure	<ul style="list-style-type: none"> ➤ Should be broken down into: <ol style="list-style-type: none"> 1. Fixed Charges <ol style="list-style-type: none"> a. Capital Recovery Fee (CRF) in Php/kW-month b. Fixed Operations and Maintenance Fee (FOM) also in Php/kW-month 2. Variable Charges <ol style="list-style-type: none"> a. Variable Operations and Maintenance Fee (VOM) in Php/kWh b. Fuel Fee (FF) also in Php/liter which further broken down into: <ol style="list-style-type: none"> i. Regular Fuel Oil (RFO) ii. Light Fuel Oil (LFO) iii. Lube Oil (LO) 	<ul style="list-style-type: none"> ➤ No Indexation on Capital Recovery Fee (CRF) ➤ Operation and Maintenance Fees (FOM and VOM) shall only indexed using the Philippine Consumer Price Index (PhCPI) ➤ No foreign currency component or ForEx indexing, except for Fuel Fee wherein Seller may submit its proposal. ➤ Fuel Fee shall be based on the actual landed cost ➤ Fuel fees shall be computed using the actual Fuel Consumption or the Maximum Guaranteed Fuel Consumption Rate, whichever is lower ➤ No minimum fuel payment or take-or-pay arrangement on fuel
Currency of Payment	<ul style="list-style-type: none"> ➤ Philippine Peso 	<ul style="list-style-type: none"> ➤ Payment shall be in PHP
Plant Specifications	<ul style="list-style-type: none"> ➤ Dependable Capacity ➤ Installed Capacity ➤ Rated Engine Speed ➤ Rated Generator Voltage ➤ Brand and Model of Engine and Major Auxiliaries ➤ Delivery Voltage ➤ Substation 	<ul style="list-style-type: none"> ➤ Shall be greater than or equal to contracted capacity ➤ Shall be greater than the Dependable Capacity and not less than 3 generating units ➤ 514 to 720 revolutions per minute (rpm) ➤ 13.8 kilo-volts (kV) ➤ Engines should be made by any known and reputable European Brand, manufactured not earlier than the year 2018. All units should be of identical brand and model including its major auxiliaries. ➤ 69 kilo-volts (kV) ➤ Transformer shall be of reputable brand, preferably from G7 countries including





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	<ul style="list-style-type: none"> ➤ Transmission Line ➤ Guaranteed Fuel Consumption ➤ Ancillary Service Capabilities ➤ Guaranteed Plant Availability ➤ Black Start Capability 	<p>Taiwan or South Korean brands. The substation shall be equipped with a 20 MVA 13.8/69KV Power transformer. The connection shall be a bus-in scheme with a dedicated transformer circuit breaker.</p> <ul style="list-style-type: none"> ➤ Transmission lines from generating plant to PELCO II 69kV line shall be for the account of the Power supplier and shall be erected using concrete poles in accordance with NGCP and PELCO II standards. ➤ The Power Supplier must comply with the maximum fuel consumption rates as follows: <ol style="list-style-type: none"> 1. Regular Fuel Oil ("RFO"): 0.2400 ltr/kWh 2. Light Fuel Oil("LFO"): 0.0050 ltr./kWh 3. Lube Oil ("LO"): 0.0018 ltr./kWh ➤ The Power Plant should be capable of providing the following ancillary services: <ol style="list-style-type: none"> 1. Dispatchable Reserve 2. Fast Start Capability A Certification from NGCP is required. ➤ Shall have a minimum annual Plant Availability of 91.87% ➤ The Generating Plant must be capable to start and synchronize with the System without an external power supply
Standard Compliance	<ul style="list-style-type: none"> ➤ Performance Standards, Connection Requirements, Planning, Operations, and Revenue Metering Requirements 	<ul style="list-style-type: none"> ➤ Power Supplier must comply to all applicable requirements and standards for Embedded Generators indicated in the latest edition of the Philippine Distribution Code (PDC), Philippine Grid Code (PGC), Philippine Electrical Code (PEC), Environmental Standards, and other related standards pertaining to the installation of a power plant



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Replacement Power	<ul style="list-style-type: none"> ➤ If plant's availability falls below the guaranteed 91.78% or exceeds the allowed 720 outages hours, the Power Supplier shall provide replacement power at the same price as the contract rate 	<ul style="list-style-type: none"> ➤ Addition Charges pertinent to the Contract Capacity and to the energy declared by Power Supplier for PELCO II shall be for the account of Power Supplier (e.g. Line Rental, Market Fees, Imbalance Charges, Billing Adjustments)
Force Majeure	<ul style="list-style-type: none"> ➤ No payment of Fixed Charges 	<ul style="list-style-type: none"> ➤ PELCO II shall not be required to make payments for any Capacity Fee and Fixed O&M Fee in respect of: <ul style="list-style-type: none"> (i) any Contract Capacity that is unavailable, or; (ii) any Contract Capacity that it cannot accept
Transfer Contract Capacity	<ul style="list-style-type: none"> ➤ Capacity Transfer 	<ul style="list-style-type: none"> ➤ PELCO II is entitled to assign, transfer, designate, or allocate its rights and obligations to purchase a portion of Contract Capacity it no longer requires to: <ul style="list-style-type: none"> i. any of its affiliates or business segments without the prior consent of Power Supplier; ii. any third-party subject to the consent of Power Supplier, which consent shall not be unreasonably withheld, delayed, or conditioned
Penalty for the Delay in Power Plant Completion Date	<ul style="list-style-type: none"> ➤ Php 275,000 per day of delay 	<ul style="list-style-type: none"> ➤ Provided that if the aggregate penalty exceeds Php 50 million, the parties may terminate the PSA, unless the delay is due to force majeure.
Liquidated Damages	<ul style="list-style-type: none"> ➤ Party in default shall pay Liquidated Damages 	<ul style="list-style-type: none"> ➤ Present Value of Capacity Fee for the remaining Contract Term at a discount rate calculated at a rate equal to Philippine Dealing System Treasury Reference Rate ("PDST-R2") for a one (1)-month bid yield on Philippine government securities as displayed on the Philippine Dealing and Exchange Corporation ("PDEX") Market Page, Bloomberg or the PDEX website (or such successor electronic service provider), plus 2% per annum, computed on a 365-day basis



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ERC Approval	<ul style="list-style-type: none">➤ Provisional Authority or;➤ Final Approval	<ul style="list-style-type: none">➤ The terms and conditions under the supply agreement, including tariff, shall be subject to approval of the ERC.