

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 | Previous Comments/ TPBAC response | Additional questions/clarifications |
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| Reserve Price | 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. | 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. TPBAC Response: Basis is for AEC to avoid high-priced generation cost. | What will be the basis of how the Reserve Price be calculated? TPBAC Response: This will not be disclosed before bid opening to avoid gaming of the bid prices |
| Price Components | Price/kWh at current prices, preferably without indexations, covering the following, as applicable: 1. Energy (Fuel) fee, if any; 2. Discount/s, if any; 3. Other proposed terms, if any. | Please confirm if discounts and its basis are required to be reflected in the bid form proposal or just in the PSA. TPBAC Response: Proposed PPD rate may be indicated in Sec. 2.4 of the RE PSA template. | Please confirm that discounts will not be part of Bid Evaluation? TPBAC Response: As shown in the bid evaluation form, the PPD will be part of the evaluation. |
| Power Supply Agreement (PSA) | Pro-forma PSA template supplied with the Bid Package shall be used as primary reference | Will AEC be open to negotiation of the pro-forma template? - If yes, to what extent may the PSA template be modified? TPBAC Response: Negotiation is open only on terms favorable to AEC than that provided in the template. Terms more onerous to AEC than that provided in the template will not be considered. | Please confirm that Terms added by the bidder on the PSA will only be subject for consideration/negotiation and will not be a subject for disqualification TPBAC Response: Yes, it is confirmed |

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| 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 | May we clarify what particular document is required? May we ask for a template for this? TPBAC Response: AEC will determine this for itself. No template | Please confirm that there is no document to submit for this requirement. May we ask how will AEC determine this. TPBAC Response: AEC will conduct its own investigations regarding these, or if the bidders are in the blacklist of the World Bank (list of debarred bidders) |
| ITB 10.4 Qualification Documents for Submission | 10.4. Qualification Documents for Submission. For clarity,the following shall comprise the Qualification Documents: [...] | Can we confirm that the items listed in 10.4 are the complete list of documents to be submitted, but that we should follow the order & folders in 9.1. & 9.2.? TPBAC Response: 10.4 is a checklist of requirements under 10.1 (legal) and 10.2 (technical) but is not yet a complete list of requirements. Foldering order should follow 10.1 and 10.2. 10.3 (financial requirements) should already contain the accomplished PSA. | Please clarify if there is a need to provide a redundancy of document in case the same document will be required on the other item requirement What will be the proper sequencing of documents in each folder? TPBAC Response: The order in ITB 10.1 and 10.2 will be followed. For already required documents, there is no need for resubmission since it’s already submitted to AEC |
| Bid Security | Bidder shall furnish, as part of its Qualification Documents, a bid security. The Bid Security shall be in the form of a manager’s check issued by a reputable bank payable to Angeles Electric Corporation, in the amount of One Million Pesos (PHP1,000,000.00), (the “Bid Security”), valid for 180 days from date of Bid Submission Deadline | | May we ask the TPBAC to provide the list of reputable banks acceptable to AEC. We would like to request AEC for Union Bank of the Philippines to be included on the list of acceptable bank. TPBAC Response: Yes, Union Bank is an acceptable bank to AEC. List of acceptable banks will be provided |

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| Section 9.1.1 | <p>Plant Details: Nominated Plant Name Location Connection Node Technology Contract Energy per year, kWh Equivalent Contract Capacity, kW Guaranteed/Historical Plant Factor</p> | | <p>Please clarify if this requirement is just the same requirement for 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> <p>TPBAC Response: Nominated plant should be able to provide for the required demand and Energy. AEC wants to know how much of its capacity is already committed in other PSAs. They are the same requirement and only one submission is required for the plant details</p> |
| Draft PSA Template | Replacement Power Provision | | <p>Kindly confirm that the winning bidder has the discretion of introducing commercial terms in relation to replacement power as long as AEC shall still purchase at contract price and supply shall come from RPS eligible sources</p> <p>TPBAC Response: AEC can consider if it is favorable.</p> |

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| Draft PSA Template | <p>III. 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>Suggestion : AEC shall be entitled to the equivalent RE Certificates generated by the Nominated RE Facility that were declared as BCQ in compliance with the allocation methodology as established by the RE Registrar. The number of equivalent RE certificates shall be what the RE registrar issues to AEC in its PREMS account. RE Supplier shall grant AEC access to the Metering Quantity (MQ) of the Nominated RE Facility.</p> <p>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>Rationale : This is to emphasize that the calculation of equivalent RE Certificates that AEC is entitled to complies with the allocation methodology and that the final number of equivalent RECs shall be what the RE Registrar issues as the sole entity authorized to issue RECs in the Philippine RE Market.</p> <p>TPBAC Response: It is better that the nominated plant be fully RE eligible so pro rating wouldn't be needed by the RE Registrar. AEC prefers the Nominated plant be fully RPS eligible, but partial RE eligible plants are not disqualified</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>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. TPBAC Response: This is for the RE Registrar and DoE to determine.</p> | <p>Since by law, only the RE Registrar is allowed to issued RECs and the RE registrar has an existing allocation methodology, we would like to confirm that the required amount of RECs due to AEC is based on what the RE Registrar shall issue on the PREMS platform. The allocation methodology is a pro-rata mechanism and does not guarantee a 1:1 conversion.</p> <p>TPBAC Response: If there is a pro-rating and the bidder cannot fully commit it's RE to AEC, it would be a ground for disqualification of the bidder</p> |
| 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>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. 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? TPBAC Response: All RE declared as BCQ and delivered to AEC should be RPSeligible</p> | <p>This is to further inquire on AEC's response that all RE declared as BCQ and delivered to AEC should be RPS-eligible. Since the allocation methodology implements a pro-rata mechanism then for partially-eligible RPS plants, the BCQ declared will not always come from the RPS eligible capacity. Shall partially eligible RPS plants be allowed to participate? TPBAC Response: Based on the premise of pro-rata allocation, then no, they will be disqualified</p> |

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| Annex 2 - PSA Template | 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>Question : If AEC shall be firm on the 1:1 conversion of BCQ declaration to RECs, can the winning supplier proposed a reconciliation period to comply with the amount of RECs due to AEC? Please note that for RE facilities with inherent seasonality, there will be months where RECs will be insufficient but can be covered in the latter parts of the year. Is AEC amenable to a yearly reconciliation of the required amount of RECs?</p> <p>TPBAC Response: Yes, this can be considered by AEC</p> |
| Annex 4 - Bid Form Proposal | Price Proposal for each Contract Year | <p>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].</p> <p>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>TPBAC Response: 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> | <p>Kindly confirm that with AEC's response taken into account, the price per year reflected in the bid form proposal is just the gross generation rate exclusive of all discounts and other charges but INCLUSIVE of rate escalation [if any].</p> <p>TPBAC Response: Yes. It will be up to the winning bidder to justify the calculation to the ERC during PSA application because this will be a joint filing with the winning bidder</p> |

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| <p>Annex 4 - Bid Form Proposal</p> | <p>Price Proposal for each Contract Year</p> | <p>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? TPBAC Response: No need to explicitly state component of price/year. Winning bidder will justify components of price to ERC during PSA application.</p> | <p>Kindly confirm that all other details such as discounts, PPD and will be reflected in the PSA only and not on the bid form proposal. TPBAC Response: Yes, this is confirmed</p> |
| <p>SBB #1 Annex 02, RE PSA template, Page 2-3, Sec. 2.4</p> | <p>Past Due Amount- Any amount in the Billing Statement not paid on or before its Payment Due Date shall become a Past Due Amount and shall earn an interest at the rate of ___% per month on such Past Due Amount until fully paid. (Bidder is to indicate a proposed interest rate here)</p> | | <p>Please confirm that proposed interest rate will only be subject for consideration/negotiation and will not be a subject for disqualification TPBAC Response: Yes, That is why there is a placeholder here for bidders to identify their desired amount</p> |

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| <p>SBB #1 Annex 02, RE PSA template, Page 2-3, Sec. 2.4</p> | <p>Prompt Payment Discount (PPD) – Should AEC settle the Billing Statement within 10 days from receipt thereof, but not later than the 15th day of the immediately succeeding month following the Meter Reading Date, RE Supplier shall grant a PPD equivalent to % of the Peso amount promptly paid. RE Supplier shall reflect the PPD earned by AEC in a Credit Memo to be attached to the next billing statement. AEC may use the PPD earned to offset any amounts in future billing statements. (Bidder may propose a PPD rate here)</p> | | <p>Please confirm that proposed PPD rate will only be subject for consideration/negotiation and will not be a subject for disqualification</p> <p>TPBAC Response: Yes. That is why there is a placeholder here for bidders to identify their desired amount. May be left blank or filled out</p> |
| <p>SBB #1 Annex 03, New Page 22 of RE PSA template</p> | <p>Annex "I"</p> <ol style="list-style-type: none"> 1. Bidder may use this annex to proposed terms more favorable to AEC than that provided under this template. 2. For RE technologies such geothermal, hydro and biomass, and the like, bidders of such RE technologies should propose provisions on Replacement Power and Outage Allowance. | | <p>Please confirm that proposed Terms/provisions by the bidder on the PSA will only be subject for consideration/negotiation and will not be a subject for disqualification</p> <p>TPBAC Response: Yes. That is why there is a placeholder here for bidders to identify their desired amount. May be left blank or filled out</p> |