

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

RESOLUTION NO. 13, Series of 2026

**IMPLEMENTING GUIDELINES FOR THE PROCUREMENT,
EXECUTION, AND EVALUATION OF ANCILLARY
SERVICES PROCUREMENT AGREEMENTS ENTERED
INTO BY THE SYSTEM OPERATOR**

WHEREAS, Section 16 (d) of Commonwealth Act No. 146 as amended by Republic Act No. 11659, otherwise known as the “*Public Service Act, as amended*” empowers the Commission, upon notice and hearing, to adopt regulations that public utilities will observe in the conduct of their business and operations;

WHEREAS, Sections 2 (b) and (c) of the Electric Power Industry Reform Act of 2001 (EPIRA) provide the State Policy of ensuring the quality, reliability, security and affordability of the supply of electric power; and ensuring the transparent and reasonable prices of electricity in a regime of free and fair competition and full accountability, to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market. Furthermore, Section 2 (f) of the EPIRA provides the State Policy of protecting the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;

WHEREAS, on 04 December 2019, the Department of Energy (DOE) issued Department Circular (DC) No. DC2019-12-0018, entitled, “*Adopting A General Framework Governing the Provision and Utilization of Ancillary Services in the Grid*”, which mandates the System Operator (SO) to procure the full requirement for Ancillary Services to meet the power quality and reliability of the grid;

WHEREAS, Sections 3.1 and 3.4 of DC No. DC2019-12-0018 provide that all generating facilities, except those with valid and existing Ancillary Services (AS) capability accreditation, shall undergo AS capability testing and shall be certified according to their respective capabilities, and NGCP shall ensure testing of all generating facilities and shall submit a report on the results thereof to the DOE and the Energy Regulatory Commission (ERC);

WHEREAS, Section 4 of DC2019-12-0018 provides that the SO shall ensure compliance with its obligation to procure the required level and specifications of AS;

WHEREAS, Section 1.6 of DC2019-12-0018 requires a transparent and cost-effective procurement of AS, taking into account the appropriate location and capacity requirements of each grid in accordance with the Transmission Development Plan (TDP);

WHEREAS, on 13 May 2021, the DOE promulgated DC2021-03-0009, entitled, *“Adopting a General Framework Governing the Operationalization of the Reserve Market in the Wholesale Electricity Spot Market and Providing Further Policies to Supplement DC2019-12-0018,”* which mandates the SO to ensure adequate and least cost procurement of AS through combination of AS contracts and the reserve market;

WHEREAS, DC2021-03-0009 further provides that the SO shall allow for non-discriminatory participation of AS providers and shall conduct a competitive selection process for AS contracts in accordance with the guidelines to be promulgated by the DOE;

WHEREAS, on 04 October 2021, the DOE promulgated DC2021-10-0031 (DOE AS CSP Policy), entitled, *“Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator”*, which took effect on 29 October 2021;¹

WHEREAS, Section 9 of the DOE AS CSP Policy provides the Regulatory Support needed from the ERC, in particular, the power to review whether the parties have complied with the requirements of CSP for AS and issue appropriate regulations as may be necessary;

WHEREAS, on 29 July 2025, the DOE promulgated DC2025-08-0010, entitled, *“Providing Supplemental Framework for the Procurement of Ancillary Services, Amending Thereby Department Circular No. DC2021-10-0031, otherwise known as “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary*

¹ Section 14. Effectivity. This Circular shall take effect fifteen (15) calendar days upon its publication in at least two (2) newspapers of general circulation. xxx
(The Circular was published in the Business World and The Daily Tribune newspapers on 14 October 2021.)

Services by the System Operator,” amending Section 8.3 of the DOE AS CSP Policy;

WHEREAS, Section 2 of DC2025-08-0010 calls for Regulatory Support from the ERC to establish all necessary rules and regulations for the speedy and efficient evaluation and determination of compliance with the standards set for the negotiated procurement of AS.

WHEREAS, on 28 August 2025, the ERC issued a *Notice of Posting and Public Consultation*, attaching the draft “RESOLUTION ADOPTING THE IMPLEMENTING GUIDELINES FOR THE PROCUREMENT, EXECUTION, AND EVALUATION OF ANCILLARY SERVICES PROCUREMENT AGREEMENTS ENTERED INTO BY THE SYSTEM OPERATOR,” for solicitation of comments from all interested stakeholders and setting the same for public consultation on 22 September 2025, which was subsequently cancelled and rescheduled on 02 October 2025 due to a work suspension;

WHEREAS, the ERC received comments from the following stakeholders: National Transmission Corporation (TransCo); Lachica Madanlo Law Office (LM Law); Manila Electric Corporation (MERALCO); Panasia Energy, Inc. (PEI)/Strategic Energy Development Inc (SEDI); Aboitiz Power Corporation (AP); National Grid Corporation of the Philippines (NGCP); Meralco PowerGen Corporation (MGen); ACEN Corporation (ACEN); SN Aboitiz Power Group (SNAP); and First Gen Corporation (FGen);

WHEREAS, on 02 October 2025, the ERC conducted public consultation on the proposed Implementing Guidelines for the Procurement, Execution, and Evaluation of Ancillary Services Procurement Agreements Entered into by the System Operator, wherein the above-mentioned stakeholders participated, together with other stakeholders, namely: Pampanga I Electric Cooperative, Inc. (PELCO I); Carmen Copper Corp. (CCC); Nueva Ecija II Electric Cooperative – Area 1 (NEECO II – Area 1); Nueva Ecija II Electric Cooperative – Area 2 (NEECO II – Area 2); Sembcorp; More Power Barge, Inc. (MPBI); LNGPH; SPC Power Corporation (SPC Power); as well as representatives from the Department of Energy (DOE);

NOW, THEREFORE, be it **RESOLVED**, as the ERC hereby **RESOLVES** to **APPROVE** and **ADOPT** the “*IMPLEMENTING*”

**GUIDELINES FOR THE PROCUREMENT, EXECUTION, AND
EVALUATION OF ANCILLARY SERVICES PROCUREMENT
AGREEMENTS ENTERED INTO BY THE SYSTEM OPERATOR**",
hereto attached and made an integral part of this Resolution as
ANNEX "A".

This Resolution shall take effect fifteen (15) calendar days
following its publication in a newspaper of general circulation or in
the Official Gazette.

Let copies of this Resolution be furnished to the University of the
Philippines Law Center - Office of the National Administrative
Register (UPLC-ONAR), as well as published on the ERC's official
website and such other online platforms available to the ERC.

Pasig City. April 21, 2026


FRANCIS SATURNINO C. JUAN
Chairperson and CEO


FLORESINDA G. BALDO-DIGAL
Commissioner


MARKO ROMEO L. FUENTES
Commissioner


AMANTE A. LIBERATO
Commissioner


PARIS G. REAL
Commissioner


LS: MND/ARG/MCCG


ROS: MABN/AJMO

**Deliberated and approved during the 11 March 2026 Commission Meeting.*

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IMPLEMENTING GUIDELINES FOR THE
PROCUREMENT, EXECUTION, AND EVALUATION
OF ANCILLARY SERVICES PROCUREMENT
AGREEMENTS ENTERED INTO BY THE SYSTEM
OPERATOR**

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IMPLEMENTING GUIDELINES FOR THE PROCUREMENT, EXECUTION, AND EVALUATION OF ANCILLARY SERVICES PROCUREMENT AGREEMENTS ENTERED INTO BY THE SYSTEM OPERATOR

Pursuant to Sections 2 (b), (c), and (f) of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (EPIRA), and policies issued by the Department of Energy (DOE) governing the procurement of Ancillary Services (AS) for the grid, particularly, the DOE Department Circular No. DC2021-10-0031 (DOE AS CSP Policy), as amended, the Energy Regulatory Commission (ERC) hereby adopts and promulgates these Guidelines.

ARTICLE I GOVERNING PRINCIPLES

Section 1. The implementation of these Guidelines shall be governed by the following principles:

- 1.1.** Transparency and non-discriminatory treatment of all Ancillary Service Providers (ASPs) in the procurement of AS through the conduct of Competitive Selection Process (CSP) that allows wide dissemination of bid opportunities and participation of all companies capable of providing AS;
- 1.2.** Promoting competition in the procurement and supply of AS to the grid by extending equal opportunity to eligible and qualified companies to participate in CSP for AS;
- 1.3.** Protecting the interest of the general public as it is affected by the rates and services of ASPs by ensuring sufficient and least-cost provision of AS with mutual beneficial solutions in maintaining the reliability and sustainability of the grid;
- 1.4.** Accountability in the procurement process by ensuring timely compliance of the processes involved in the conduct of AS CSP, particularly the capability testing of generating facilities and

issuance of other requisites in accordance with the ease of doing business principles; and

- 1.5. Encourage investments through the contracting of AS requirements as provided under DC2021-10-0031, as amended, and the timely approval of ASPAs.

ARTICLE II SCOPE AND APPLICATION

Section 2. These Guidelines shall apply to the System Operator (SO), Market Operator (MO), Ancillary Service Providers (ASPs), and the National Transmission Corporation (TransCo).

ARTICLE III DEFINITION OF TERMS

Section 3. As used in these Guidelines, the terms enumerated hereunder shall have the following meanings:

- (a) **“Ancillary Services (AS)”** refers to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Philippine Grid Code.
- (b) **“Ancillary Service Agreement Procurement Plan (ASAPP)”** refers to a plan for the acquisition of AS requirements by the SO to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system.
- (c) **“Ancillary Service Provider (ASP)”** refers to a person or entity providing or contracted to provide AS, provided that they have secured certification from the SO or ERC-accredited third-party AS capability testing entities prior to delivery of service.

- (d) **“Ancillary Services Procurement Agreement (ASPA)”** refers to a contract covering the provision of AS in accordance with the Open Access Transmission Service Rules.
- (e) **“AS Competitive Selection Process (AS CSP)”** refers to a process where the SO, through the Third Party Bids and Awards Committee (TPBAC), undertakes a transparent and competitive bidding to secure AS based on the evaluation criteria adopted by the SO in accordance with the requirements of these Guidelines to achieve least-cost supply to the Grid.
- (f) **“AS CSP Observers”** shall have the meaning ascribed to it in Section 6 of these Guidelines.
- (g) **“AS Price Cap”** refers to the maximum price offer in PhP/kWh set by the TPBAC for a particular AS CSP pursuant to key parameters and applicable law/s that shall be used as the ceiling price for a particular AS CSP, which shall not be disclosed until the opening of bids.
- (h) **“Energy Regulatory Commission (ERC)”** refers to the regulatory agency created under Section 38 of the EPIRA.
- (i) **“Generation Company (GenCo)”** refers to any person or entity authorized by the ERC to operate facilities used in the generation of electricity.
- (j) **“Grid”** refers to the high voltage backbone system of interconnected transmission lines, substations, and related facilities.
- (k) **“Lowest Calculated Bid (LCB)”** refers to the bid with the lowest price after the detailed evaluation of the financial component of the bid following the pertinent provision/s in the DOE-approved terms of reference (TOR).
- (l) **“Market Operator (MO)”** refers to the entity responsible for the operation of the wholesale electricity spot market in accordance with Section 30 of the EPIRA.

- (m) **“National Transmission Corporation (TransCo)”** refers to the corporation organized pursuant to the EPIRA to acquire all the transmission assets of the National Power Corporation (NPC).
- (n) **“Pre-Bid Conference”** shall have the meaning ascribed to it in Section 7.6 of the DOE AS CSP.
- (o) **“System Operator (SO)”** refers to the party responsible for generation dispatch, or the implementation of the generation dispatch schedule of the MO, provision of AS and operation to ensure safety, power quality, stability, reliability and security of the grid.
- (p) **“SO-BOD”** refers to the Board of Directors of the System Operator.
- (q) **“Third Party Bids and Awards Committee (TPBAC)”** refers to the committee established in accordance with the DOE AS CSP Policy.
- (r) **“Winning Bidder”** refers to the Bidder issued a notice of award after the conduct of the AS CSP.

Capitalized terms not otherwise defined in these Guidelines shall have the meaning ascribed to them under the DOE AS CSP Policy.

ARTICLE IV COMPETITIVE SELECTION PROCESS

Section 4. Mandatory AS CSP - The SO shall undertake a transparent, competitive and non-discriminatory procurement process for ASPAs, which shall be completed within ninety (90) calendar days from the time of posting/publication of the Invitation to Bid until the award and signing of the ASPA. The AS CSP shall follow the general procedure laid out in the DOE AS CSP Policy, as amended by DC2025-08-0010, and any relevant issuances thereafter; and as supplemented by these Guidelines.

To encourage participation of bidders in AS CSP, the SO shall:

- (a) For existing plants, ensure compliance with DOE Advisory 2025-05-003-SEC on the mandatory AS capability testing of all generation facilities, including the completion of AS capability testing not later than 31 December 2025 or within the date provided should an extension be given by the DOE;
- (b) For new plants that have yet to undergo test and commissioning under DC2021-06-0013, ensure completion of the testing and accreditation of a prospective ASP for AS capability within the maximum period for test and commissioning prescribed therein.

To ensure SO's compliance with its obligation to procure cost effective and least cost AS, the lowest calculated bid (LCB) shall be subject to an AS Price Cap set by the TPBAC. The AS Price Cap shall not be disclosed to the bidders until the opening of bids.

In setting the AS Price Cap, the TPBAC shall take into consideration, among other things, the actual and forecasted clearing prices in the Reserve Market for the particular reserve facility category.

Section 5. Third Party Bids and Awards Committee (TPBAC)

- The SO, through its SO-BOD, shall prescribe the establishment of its TPBAC, its process for selecting the members and their responsibilities and conduct of business following Section 5 of the DOE AS CSP Policy. Upon appointment of the TPBAC, the SO shall submit to the ERC its selection process and appointed TPBAC members for review and determination of compliance with the DOE AS CSP Policy. The selection process shall include a procedure in case of replacement of one or more members for its reconstitution. Upon ERC's confirmation of such compliance, the TPBAC shall lead, conduct, and manage the AS CSP, in accordance with the policies and procedures provided in the DOE AS CSP Policy and these Guidelines.

The TPBAC shall notify the DOE in writing, copy furnished the ERC, on the conduct of the AS CSP five (5) calendar days before the first publication of the Invitation to Bid (ITB). This notification should include a

copy of the DOE-approved Terms of Reference (TOR) and the draft Instruction to Bidders.

Section 6. AS CSP Observers - To ensure that the AS CSP is conducted in an open, transparent, efficient, and fair manner, the TPBAC shall initiate the procurement proceedings and send written and email invitations to the DOE, ERC, and all interested stakeholders. These invitations shall be issued at least seven (7) working days before each stage of the AS CSP, in accordance with the DOE AS CSP Policy. To maintain orderly proceedings, the SO may limit the number of non-government stakeholders serving as AS CSP Observers.

Interested stakeholders shall inform the TPBAC, in writing, whether through physical or electronic means, of their interest to participate as observers and of their designated observer (AS CSP Observer) for the whole AS CSP process. If the designated AS CSP Observer is not available in any of the AS CSP stages, they shall inform the TPBAC in writing and may assign an alternate, provided the alternate is familiar with the ongoing AS CSP process.

All AS CSP Observers shall execute a sworn undertaking that they will strictly adhere to these Guidelines.

The TPBAC is required to make and keep, as part of the AS CSP, a complete and unedited video record of the proceedings in all cases of AS CSP for the Pre-Bid Conference, Submission of Bids, and Opening of Bids, and live-stream proceedings in its official website and social media platforms.

The absence of AS CSP Observers will not nullify the AS CSP proceedings; provided that the AS CSP Observers have been duly invited in writing, whether through physical or electronic means, at least seven (7) working days before each of the scheduled procurement stage.

Section 7. Direct Negotiation – Direct Negotiations shall follow the general policies and procedures laid out in the DOE AS CSP Policy, as amended by DC2025-08-0010, and any relevant issuances thereafter; and as supplemented by these Guidelines.

a. Direct Negotiation after CSP – As a general rule or as permitted by these Rules, the SO may engage in direct negotiations with a prospective ASP if there have been two failed CSPs for the AS procurement and there is no dispute regarding the conducted CSPs. This is in accordance with Section 8.1 of the DOE AS CSP Policy and follows the procedure outlined in Section 8.2 of the DOE AS CSP Policy, as amended by DC2025-08-0010.

In accordance with the DOE AS CSP Policy, there is failure of bidding when any of the following circumstances exists:

- i. No proposal was received by the SO;
- ii. Only one bidder submitted an offer, in case of RR, CR, and DR types of AS; or
- iii. Competitive offers of prospective ASP failed to meet the requirements prescribed in the bid documents.

b. Direct Negotiations without CSP – Notwithstanding the foregoing subsection, pursuant to the provisions of Section 8.3 of DOE AS CSP Policy, as amended by DC2025-08-0010, the SO may directly negotiate with qualified ASP in the Grid without the need of conducting a CSP for AS, subject to the motu proprio directive of the DOE or its approval of a request by the SO, provided any of the following conditions are met:

- i. Insufficiency of any or all types of contracted AS, persisting for a continuous period of three (3) months, wherein the actual AS levels scheduled in the Reserve Market are less than 50% of the requirement, as certified by the Market Operator; or
- ii. Sustained increase in the cost of providing AS, resulting in: (i) an average cost for any type of AS greater than or equal to the 75% of the reserve offer cap in the Reserve Market, in at least one of the major grids, for a period of three (3) months; or (ii) an average reserve rate of PhPo.25/kWh for any AS type, persisting for a period of three (3) months, as certified by the Market Operator.

The approval process, validity of such directive or approval, terms, conditions and effects of the ASPAs directly negotiated by the SO under Section 7(b) hereof as well as remedies when there is no available or qualified AS Provider shall comply with Section 8.3 of DOE AS CSP Policy, as amended.

ARTICLE V ASPA APPLICATION

Section 8. Applicability – The following procedures shall apply to the ERC’s review of all ASPAs duly executed in accordance with these Guidelines. Except to the extent provided in these Guidelines, the ERC’s Revised Rules of Practice and Procedure (RRPP) and its subsequent amendments, revisions and modifications shall continue to apply.

Section 9. ERC Approval – All ASPAs, except for those directly negotiated pursuant to Section 8.3 of the DOE AS CSP Policy, as amended, are subject to ERC approval prior to their implementation, in accordance with applicable issuances of the DOE and these Guidelines. Pursuant to the DOE AS CSP Policy, the term of the ASPA shall be for a maximum period of five (5) years, reckoned from the receipt of the approval of the ERC or commencement of supply.

For ASPAs that are directly negotiated and can be immediately implemented under Section 8.3 of the DOE AS CSP Policy, as amended, the reckoning point of the term should be from the commencement of supply. However, ASPAs obtained through direct negotiation shall still require final approval from the ERC. If this approval is not obtained, the costs incurred shall be borne by the parties involved, and no costs should be passed on to consumers, as provided in Section 11 of these Guidelines.

Section 10. Pre-Filing Requirements – All applications for ASPAs shall include the documents listed in Appendix “A” (Checklist of Pre-Filing Requirements for ASPAs Procured through CSP and Direct Negotiation) and Appendix “B” (Checklist of Pre-Filing Requirements for ASPAs Procured through Direct Negotiation without CSP), whichever is applicable. In case of procurement through direct negotiation, Applicants must allege and attach

supporting documents that Section 8 of the DOE AS CSP Policy, as amended by DC 2025-08-0010, and these Guidelines, have been complied with.

In case of electronic pre-filing, the pre-filing activity shall be conducted simultaneously by the technical and legal pre-filing officers. The Applicants shall follow the prescribed guidelines in ERC Resolution No. 09, Series of 2020 and any subsequent amendments, revisions and modifications thereto; and the ERC's Advisory dated 06 February 2025 on the implementation of ERC Online Pre-Filing Form.

Failure to upload all the required documents for legal and technical assessment during pre-filing activity will result in the issuance of Notice of Incomplete Submission Email (NISE). The Applicants shall be given a non-extendible period of sixty calendar (60) days to comply. Should a second and subsequent NISEs be issued due to the partial submission made by the Applicants, the period to comply shall continue to run and no fresh period shall be allowed. Compliance with all the NISEs issued are reckoned from the date of the first issuance. Non-compliance within the sixty-day period will result in the cancellation of the pre-filing activity.

Section 11. Filing of the Application - The ASPA shall be a joint responsibility of the SO and the ASP. Within fifteen (15) working days from execution of the ASPA, the parties thereto shall initiate the filing process through the pre-filing as described in the preceding section.

If the parties fail to initiate the filing process or complete the pre-filing within the allotted sixty-day period, without any justifiable reason, they will be subject to imposition of a penalty ranging from a minimum of Fifty Thousand Pesos (PhP50,000.00) to a maximum of Fifty Million Pesos (P50,000,000.00), as provided under Section 46 of the EPIRA.

No cost recovery shall be allowed for ASPAs that are implemented without being filed with the ERC, and any amounts collected or passed on to grid users must be refunded.

Section 12. Review Procedure - Any ASPA resulting from AS CSP or direct negotiations shall be reviewed, at first instance, to determine whether the AS CSP or direct negotiation was conducted in accordance with the DOE AS CSP Policy, as amended, and these Guidelines (if applicable, including consistency of the ASPA with the ASAPP and TOR approved by the DOE). In the event that the AS CSP or direct negotiation is found to be non-compliant with the DOE AS CSP Policy, as amended, and these Guidelines, the application for the approval of the ASPA shall be dismissed forthwith.

For ASPAs resulting from AS CSP found to be compliant with the DOE AS CSP Policy, as amended, and these Guidelines, the LCB as reflected in the ASPA shall be deemed approved, and the ERC shall proceed to review the non-rate related terms and conditions of the ASPA.

For ASPAs arising from direct negotiation in accordance with the DOE AS CSP Policy, as amended, and these Guidelines, the ERC will proceed to evaluate the ASPA's reasonableness regarding associated costs, risk allocation, and other contractual terms to ensure the SO's compliance with its obligation to procure cost-effective and least-cost AS.

For evaluation purposes, the ERC shall consider all evidence that is: (1) duly submitted by the applicants; (2) authenticated by the applicants' witnesses during the hearing; (3) formally offered as evidence; or (4) publicly available and may be subject to judicial notice.

Section 13. Issuance of Provisional Authority (PA) or Interim Relief (IR) - For any ASPA resulting from AS CSP or direct negotiation pursuant to Sections 8.1 and 8.2 of the DOE AS CSP Policy, as amended, which is found to be compliant with the DOE AS CSP Policy and these Guidelines (including consistency of the ASPA with the ASAPP and TOR approved by the DOE), the ERC may grant a PA or IR when warranted under the circumstances. For ASPAs resulting from direct negotiation pursuant to Section 8.3 of the DOE AS CSP Policy, as amended, the implemented AS rate/s shall be subject to the ERC's final determination of the applicable rate.

The effect of final determination provided in Section 4, Rule 14 of the ERC RRPP, including any subsequent amendments, revisions or modifications thereto, shall apply.

Section 14. Issuance of Final Authority - All ASPA applications, including those which have been issued a PA or IR, shall be subject to the ERC's issuance of final authority.

The ERC shall resolve all applications for ASPA approval within two hundred seventy (270) calendar days from filing of said Application pursuant to Republic Act No. 11234, otherwise known as the Energy Virtual One-Stop Shop (EVOSS) Act, as may be amended from time to time. After the lapse of the period to resolve the ASPA application, the ASPA shall be deemed approved by the ERC, except those applications involving fossil fuel-based technologies such as coal, natural gas and oil as provided under Section 13 of the said Act.

In case of deemed approved ASPA applications, a Decision or resolution of the same shall still be issued by the ERC.

Section 15. Motion for Reconsideration - The procedures set forth in Rule 23 of the ERC RRPP, including any subsequent amendments, revisions or modifications thereto, shall apply. Pending resolution of the Motion for Reconsideration, the parties shall still be bound to fulfill their obligations under the ASPA, as well as the rates approved by the ERC, unless any adjustment or amendment is directed.

ARTICLE VI PROHIBITED ACTS AND AGREEMENTS

Section 16. Prohibitions on the TPBAC - The members of the TPBAC, TPBAC TWG and Secretariat, and the SO-BOD, or any person acting on their behalf, are prohibited from doing any of the following acts:

- (a) Conducting bid-opening stage in a non-public manner;
- (b) Failing to read out or show the AS price cap, bid prices and terms at bid opening;
- (c) Changing or discarding parts of bids or deliberately misplacing all or parts of bids;

- (d) Changing the announced evaluation criteria during the evaluation process;
- (e) Arbitrarily assigning or changing bid scores, or making deliberate mistakes or errors in scoring;
- (f) Voiding all bids for alleged errors in specifications and re-bidding the work;
- (g) Extending the bid due date to permit late, changed, or altered bids;
- (h) Allowing unauthorized persons to participate in and influence the bid evaluation;
- (i) Failing to record important information in the bid evaluation report, such as the ranking of Bidders or bid prices;
- (j) Refusal to accept AS CSP Observers without valid reason;
- (k) Awarding of the contract to an entity other than the Winning Bidder; and
- (l) Any act or omission thereof that tends to undermine the objectives of these Guidelines.

Section 17. Prohibitions on Bidders - Bidders are prohibited from doing any of the following acts:

- (a) Submission of eligibility requirements containing false information or falsified documents;
- (b) Submission of bids that contain false information or falsified documents, or the concealment of such information in the bids in order to influence the outcome of eligibility screening, or any other stage of the competitive bidding;

- (c) Allowing the use of one's name, or using the name of another for purposes of competitive bidding;
- (d) Withdrawal of a bid, or refusal to accept an award, or enter into a contract with the SO without justifiable cause, after receiving the award;
- (e) Refusal or failure to post the required Bid Security within the prescribed period;
- (f) Termination of the contract due to the default of the Winning Bidder;
- (g) Any documented attempt by a Bidder to unduly influence the outcome of the bidding in its favor;
- (h) All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late bids, or patently insufficient bids, for at least three (3) times within a year, except for valid reasons; and
- (i) Any act or omission thereof that tends to undermine the objectives of these Guidelines.

Section 18. Withdrawal of the Application - Applicants seeking to withdraw their application, pending provisional or final approval, must file a joint motion to do so, clearly stating the grounds for withdrawal. These grounds must be limited to those specified for pre-termination under Section 19 of these Guidelines.

If only one party files the motion, the ERC will direct the other party to submit a comment or opposition. Withdrawal shall be permitted only if: (a) it is based on grounds specified in the ASPA that align with these Guidelines; (b) there is full compliance with the procedural requirements outlined in the ASPA; and (c) prior approval is obtained from the ERC.

Section 19. Pre-termination of Contract - No party to the ASPA shall be allowed to terminate the contract within the validity period thereof, unless expressly allowed under these Guidelines. Termination shall only be allowed:

- (a) Based on grounds stipulated in the ASPA which should be consistent with these Guidelines;
- (b) Upon full compliance with the procedural requirements set forth in the ASPA; and
- (c) With prior approval from the ERC.

A motion for termination of an ASPA must be justified on any of the following grounds:

- (a) Bankruptcy or insolvency of the GenCo;
- (b) Breach of contract;
- (c) Default of either party without fault or negligence on the other party;
- (d) Force majeure rendering the supply of ancillary services impossible to accomplish; or
- (e) Any other circumstance analogous to the foregoing grounds or otherwise expressly stipulated in the ASPA as approved by the ERC.

The ERC shall resolve all motions for termination of an ASPA within thirty (30) calendar days from the filing thereof.

Upon the approval by the ERC of the termination of an ASPA, each party thereto shall cease to have any further obligations, responsibilities or liabilities, other than such obligations or liabilities that have accrued prior to the termination and remain undischarged, and those set forth by the ERC in the approval of such termination.

Section 20. Bid Manipulation - The following agreements between or among Bidders are considered as bid manipulation and are prohibited under these Guidelines:

- (a) **Cover bidding** or when individuals or firms agree to submit bids that involve at least one of the following: (i) a competitor agrees to submit a bid that is higher than the bid of the designated winner, (ii) a competitor submits a bid that is known to be too high to be accepted, or (iii) a competitor submits a bid that contains special terms that are known to be unacceptable. Cover bidding is designed to give the appearance of genuine competition;
- (b) **Bid suppression.** Bid suppression schemes involve agreements among competitors, in which one or more companies agree to refrain from bidding or to withdraw a previously submitted bid, so that the designated winner's bid will be accepted. In essence, bid suppression means that a company does not submit a bid for final consideration;
- (c) **Bid rotation.** In bid rotation schemes, conspiring firms continue to bid, but they agree to take turns being the Winning (i.e., lowest qualifying) Bidder. The way in which bid-rotation agreements are implemented can vary. For example, conspirators might choose to allocate approximately equal monetary values from a certain group of contracts to each firm or to allocate volumes that correspond to the size of each company;
- (d) **Market allocation.** Competitors carve up the market and agree not to compete for certain customers or in certain geographic areas. Competing firms may, for example, allocate specific customers or types of customers to different firms, so that competitors will not bid (or will submit only a cover bid) on contracts offered by a certain class of potential customers which are allocated to a specific firm. In return, that competitor will not competitively bid to a designated group of customers allocated to other firms in the agreement;
- (e) Any other analogous practices of bid manipulation; and

- (f) Any other agreement in relation to the conduct or participation in an AS CSP which tends to substantially prevent, restrict or lessen competition.

ARTICLE VII FINES AND PENALTIES

Section 21. Penalties - In case of violation of any of the provisions of these Guidelines, the ERC, may, after due notice and hearing, impose any of the following:

- (a) A penalty not lower than One Hundred Thousand Pesos (PhP100,000.00) but not exceeding Five Hundred Thousand Pesos (PhP500,000.00) at the discretion of ERC, shall be imposed upon the TPBAC members, TPBAC TWG and Secretariat, and SO-BOD for violation of Section 16.
- (b) For failure to submit the required reportorial requirement under Section 24, a penalty amounting to Five Hundred Thousand Pesos (PhP500,000.00) shall be imposed upon the President of the SO who fails to submit the sworn certification as required under Section 24.
- (c) For commission of any act considered as bid manipulation, in addition to blacklisting by the ERC from participating in any AS CSP and from entering in any kind of ASPA with the SO, such Bidder shall pay a fine of Fifty Million Pesos (PhP50,000,000.00).
- (d) For violation of Section 7.10 of the DOE AS CSP Policy, or any other violation of these Guidelines and the DOE AS CSP Policy, the SO, ASP and other entities shall be liable to pay an administrative fine amounting to Fifty Thousand Pesos (PhP50,000.00) up to Fifty Million Pesos (PhP50,000,000.00).
- (e) In addition to the foregoing, if the evidence so warrants, the ERC may file with, endorse or refer before, the Department of Justice (DOJ), violations of the EPIRA or other relevant laws, for

preliminary investigation and prosecution before the proper court.

Section 22. Blacklisting - The SO shall blacklist a Winning Bidder, Bidder or Prospective Bidder, in case such committed any prohibited acts under Sections 17 and 20 hereof, the EPIRA and/or other relevant laws or fails or refuses to:

- (a) Execute the ASPA resulting from a successful AS CSP without justifiable reason;
- (b) Join in the pre-filing or filing of the application thereof without justifiable reason; or
- (c) Deliver the SO's ancillary services requirements as provided for under the duly executed ASPA, without justifiable reasons as provided under the ASPA that is provisionally or finally approved by the ERC.

The ERC, motu proprio, after due notice and hearing, may also impose the penalty of blacklisting against Winning Bidders under any of the circumstances described above, should the SO fail to implement the protocols in blacklisting based on the guidelines provided herein.

For this purpose, the SO shall, within thirty (30) calendar days from effectivity of these Guidelines, formulate and adopt its own internal rules for blacklisting procedure. Within five (5) calendar days upon adoption, the SO shall notify, in writing, the ERC of the said internal rules.

The SO shall, within ten (10) calendar days from blacklisting, notify the ERC in writing of the entity/ies that it blacklisted. The said blacklisted entities shall be duly recorded by the ERC in the list of suppliers blacklisted by the SO and the ERC, and which shall be posted and regularly updated on the ERC's official website for the information of all stakeholders.

The blacklisted entity may appeal the SO's decision to the ERC.

Section 22.i. Effect and Duration of Blacklisting - All entities blacklisted by the SO, pursuant to these Guidelines and the SO's own internal rules for blacklisting procedure, shall not be allowed to participate in any AS CSP conducted by the SO, or to enter into any new ASPA with them.

Any blacklisted entity shall be prohibited to participate in the next round of AS CSP and in case of AS under direct negotiation, a minimum period of three (3) years from receipt by the erring winning bidder, bidders, and/or prospective bidders of the SO's decision imposing such penalty (Disqualification Period).

Section 22. ii. Scope of Blacklisting - The penalty of Blacklisting shall attach to the prospective ASP who was blacklisted and is currently serving the Disqualification Period. Such prospective ASP shall not participate in another AS CSP to be conducted by the SO while serving the Disqualification Period.

Provided, relative to the severity of the act/s committed, the ERC shall, *motu proprio* or upon referral of the SO, determine whether such act/s committed warrant an additional penalty to prohibit any blacklisted entity to participate in the CSP to be conducted by the distribution utilities for a minimum period of three (3) years.

Provided further, any ASP with an approved ASPA shall not source its supply from a blacklisted supplier serving the Disqualification Period.

Section 22.iii. Administrative Penalty on Blacklisted Entity - An administrative penalty amounting to two (2) months' value of the ASPA, computed using the Winning Bidder's bid price or offer, in case of direct negotiation, shall be imposed by the ERC on the blacklisted ASP or entity. *Provided*, the penalty herein is a separate sanction on the penalties prescribed in Section 21 of these Guidelines.

Section 22. iv. Effect of Blacklisted Status on ASPAs entered into prior to receipt of Blacklisted Status. - The ASPAs, duly executed pursuant to a successful AS CSP and approved prior to the blacklisting of the Winning Bidder, shall not be affected by the subsequent blacklisting of the Winning Bidder.

Section 22.v. Other Grounds for Blacklisting - The following shall also be blacklisted by the SO, through its own internal rules for blacklisting procedure, or by the ERC, after due notice and hearing:

- (a) The ASP who is at fault in the termination of the ASPA or withdrawal of the application; and
- (b) The Winning Bidder who refuses to post performance security without justifiable reason.

Should the evidence warrants, the ERC may file with, refer or endorse to the DOJ, criminal complaints for violations of the EPIRA or other relevant laws, for preliminary investigation and prosecution before the proper court.

Section 23. In no event shall penalties imposed under Article VII of these Guidelines be passed on to consumers.

ARTICLE VIII ENFORCEMENT

Section 24. Reportorial Requirement. - The SO shall submit a sworn certification executed by its President, notifying the ERC of the status of the implementation of the duly executed ASPA, within five (5) calendar days from the date of commencement of supply as provided for under the duly executed ASPA. The SO shall also post in its official website the itemized breakdown of the AS charges following the prescribed format, including but not limited to, its sources.

Section 25. Continuing Obligation of the SO - The SO has the obligation to continuously supply sufficient and least cost AS, taking into consideration the required levels of AS under DC2019-12-0018 and DOE AS CSP Policy, as amended; as well as quality, affordability, sustainability, and reliability of electric power supply. To this end, the SO shall ensure that it shall optimize purchase from its sources and prioritize the lowest contracted/available AS.

ARTICLE IX FINAL PROVISIONS

Section 26. Exception Clause - Where good cause appears, the ERC may allow an exception from any provisions of these Guidelines if such exception is found to be for the interest of the public and is not contrary to law or any other related rules and regulations.

Section 27. Separability Clause - If for any reason, any part or section of these Guidelines is declared unconstitutional or invalid, the other parts or sections hereof which are not affected thereby shall continue to be in full force and effect.

Section 28. Transitory Provision - Ongoing AS CSP prior to the effectivity of these Guidelines shall continue to observe the AS CSP policy in accordance with DC2021-10-0031. *Provided*, all ASPAs procured and executed, including those filed and pending before the effectivity of these Guidelines, shall be processed in accordance with the DOE AS CSP policy applicable at the time of filing of the application.

Section 29. Repealing Clause - The pertinent provisions of any other ERC rules or guidelines inconsistent herewith are hereby repealed or modified accordingly.

Section 30. Effectivity - These Guidelines shall take effect fifteen (15) calendar days following its publication in a newspaper of general circulation or in the Official Gazette, whichever comes earlier.

Appendix “A”

CHECKLIST OF REQUIREMENTS FOR ANCILLARY SERVICES PROCURED THROUGH A COMPETITIVE SELECTION PROCESS (CSP) OR DIRECT NEGOTIATION AFTER TWO (2) FAILED CSPS

PART I. TECHNICAL REQUIREMENTS

REQUIREMENT	DETAILS	REMARKS
Proof of Eligibility for Direct Negotiation	Proof that two (2) prior CSPs failed and were compliant with DOE AS-CSP Policy and Guidelines	Include reasons for failure of bidding Documents from failed CSPs: ASAPP, TPBAC Proof, TOR, ITB publication/posting, bid evaluation, etc.
Capacity and Supply Specifications	Capacities contracted under the ASPA, including classification applied	Type of AS Grid location and Grid System map AS Requirement Level per AS type
	Power Plant Details to provide AS	Certificate of Compliance (COC) Accreditation Certificate
	WESM Registration	Supply validation
	Single-line Diagram (Plant and Connection)	For interconnection
	Actual AS Data on Required, Scheduled, and Dispatched (MW) for the Grid of the Previous Year.	Historical data
Supply Term Specifications	Technical aspects of the term of the ASPA related to supply delivery	Term of the ASPA Implementing Guidelines Outages Replacement Reserves
	Dispatch Protocol (for embedded generators)	For operational feasibility
Rate and Cost Structure	Rate Impact Simulation (PhP/kW and PhP/kWh)	Consumer impact for affordability
Rate Derivation and Computations	Detailed rate derivation/calculation	Excl formulas for build-up/cost-effectiveness
Cost of Generation	Computation of true cost of generation	Fuel/O&M breakdown for efficiency
Indexation and Additional Costs	Summary of computed CPI and start-up and shutdown costs (SSC)	Monthly variable O&M Computations/formulas for sustainability
Other Supporting Documents	Existing bilateral contracts and existing ASPAs	Case Number/s Contracted Party Period Capacity/Energy Rate Intended for rate/capacity comparison
	Latest Audited Financial Statement	Verify O&M/fuel costs for rate reasonableness
	Latest GIS/AOI	Eligibility and Legal Authority
	Latest GCMR	Historical actual operational data

PART II. LEGAL REQUIREMENTS

REQUIREMENT	DETAILS	REMARKS		
1. ELECTRONIC PRE-FILING	CERTIFICATE OF EMAIL REGISTRATION (CER) NO.:			
	If not yet available, Reference No. of CER application:			
	VERIFIED DECLARATION (Y/N)	Date of Execution:		
	PRE-FILING DATE:			
	DATE OF EXECUTION OF ASPA: Justification, in case, the pre-filing request is beyond or if requested in a very short period prior to the expiration of the 15-working day period requirement for filing the Joint Application in Section 11 of the Guidelines.			
2. APPLICATION	DATE:			
	SIGNED BY COUNSEL	Y/N:	Name/s & Law Firm:	
	NO. OF HARD COPIES (3) [N/A FOR ELECTRONIC PRE-FILING]			
	NO. OF SOFT COPIES (3) [N/A FOR ELECTRONIC PRE-FILING]			
3. VERIFICATION (VERIF)			NGCP	ASP
	DATE NOTARIZED			
	ID PRESENTED	Type of Government ID:		
		ID No.:		
		Date of Issuance:		
Date of Expiry:				
4. CERTIFICATION AGAINST FORUM SHOPPING (CAFS)	DATE NOTARIZED			
	ID PRESENTED	Type of Government ID:		
		ID No.:		
		Date of Issuance:		
Date of Expiry:				
5. AUTHORITY OF COUNSEL TO FILE THE SUBJECT APPLICATION	Board Resolution (BR); or	BR No.:		
		Date of Board Reso:		
	Secretary Certificate (Sec. Cert)	Name of Authorized Counsel as indicated in the BR:		
		Date Issued:		
6. AUTHORITY OF THE AFFIANT TO EXECUTE VERIF/CAFS FOR THE SUBJECT APPLICATION	Board Resolution (BR); or	BR No.:		
		Date of Board Reso:		
		Name of Authorized Counsel as indicated in the BR:		
	Secretary Certificate (Sec. Cert)	Date Issued:		
	Name of Authorized Counsel as			

		indicated in the BR:		
7. SERVICE OF THE APPLICATION TO THE LOCAL GOVERNMENT UNITS (LGUs) OF THE PROVINCE, CITY OR MUNICIPALITY WHERE APPLICANTS PRINCIPALLY OPERATE	A) CERTIFICATIONS FROM GOVERNOR, CITY OR MUNICIPAL MAYOR AND SANGGUNIANG PANLALAWIGAN, PANLUNGSOD OR BAYAN			
	LGU OF:			
	LGU OF:			
	LGU OF:			
	LGU OF:			
	Please provide additional information in the Other Remarks, if necessary.			
	B) IN THE ABSENCE OF CERTIFICATION			
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:		
APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:			
Please provide additional information in the Other Remarks, if necessary.				
C) IF NOT RECEIVED, REASON AND/OR PROOF OF REFUSAL				
LGU OF:	REASON/PROOF:			
LGU OF:	REASON/PROOF:			
LGU OF:	REASON/PROOF:			
8. PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION	AFFIDAVIT OF PUBLICATION	Date of the Affidavit:		
	NEWSPAPER	Name of the Publisher:		
	NEWSPAPER ISSUE CONTAINING THE PUBLICATION	Volume:		
	• APPLICATION	Page where the Application can be found:		

WITHIN THE APPLICANTS FRANCHISE AREA	• VERIFICATION	Is it included in the Publication: Y/N?
	• CERTIFICATION AGAINST SHOPPING (CAFs) FORUM	Is it included in the Publication: Y/N?
9. COMPETITIVE SELECTION PROCESS	PROOF OF CONDUCT OF CSP <i>(Please specify the paragraph numbers where the CSP description are alleged in the Application, including the annexes of documents pertaining to the CSP conducted.)</i>	
	Ancillary Service Agreement Procurement Plan (ASAPP) Annex ____ of the Joint Application <i>(Please specify the Annex/es where this/these document/s can be found.)</i>	ASAPP years covered (reviewed by the DOE): Proof of Posting of the ASAPP in the SO's website:
	Brief Description of the CSP Conducted	Was the 1 st CSP Successful? (Y/N):
		If the 1 st CSP failed, was the 2 nd CSP successful? (Y/N):
		If two (2) CSPs failed, was Direct Negotiation undertaken (Y/N):
		Relevant Allegations in the Application:
		DOE's approval: Annex ____ Terms and conditions: 1. Capacities contracted should be within the AS levels required; 2. Term should not exceed five years; 3. No renewal/extension; 4. AS rate is equivalent to the latest ERC-approved ASPA tariff for the same technology and; 5. AS type in the same major grid:
	TPBAC Annex ____ of the Joint Application <i>(Please specify the Annex/es where this/these document/s can be found.)</i>	Proof of BAC Establishment by the SO: By the DOE, in case of BAC TWG and Secretariat:
	CSP Observers Annex ____ of the Joint Application <i>(Please specify the Annex/es where this/these document/s can be found.)</i>	CSP Observers: 1. DOE: 2. ERC: 3. Other interested stakeholders:
	Proposed Timelines or Milestones Annex ____ of the Joint Application <i>(Please specify the Annex/es where this/these document/s can be found.)</i>	
BIDDING DOCUMENTS/PROCESS		
DOE Approved Terms of Reference (TOR) Annex ____ of the Joint Application <i>(Please specify the Annex/es where this/these document/s can be found.)</i>	<i>Requirements under Annex "A" of the DOE AS CSP Policy</i> A. General Information: 1. Grid to be Served; 2. Current Year of Filing; B. Requirements 1. Purpose of Procurement:	

		<p>1.1. Supply Profile:</p> <ol style="list-style-type: none"> 2. Terms of Supply Services: 3. Cost and Tariff Structure: 4. Assessment of Bids: 5. Payment Modalities: 6. Outage Allowance: 7. Replacement Reserve Capacity: 8. Nominations and Dispatch of Ancillary Services: 9. Force Majeure: 10. Grounds for Contract Termination: 11. Liquidated Damages: 12. Obligations of SO: 13. Bidder's Qualifications: 								
	<p>Publication of the Invitation to Bid (ITB)</p> <p>Annex ____ of the Joint Application</p> <p>(Please specify the Annex/es where this/these document/s can be found)</p>	<p>Publication of the Invitation to bid in a newspaper of general circulation once weekly for two (2) consecutive weeks.</p> <table border="1" style="width: 100%;"> <tr> <td>Name of the Newspaper:</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">Dates of the Publication</td> </tr> <tr> <td>1st Publication Date:</td> <td></td> </tr> <tr> <td>2nd Publication Date:</td> <td></td> </tr> </table> <p><i>Requirements under Sec. 7.3.2 of the DOE AS CSP</i></p> <ol style="list-style-type: none"> A. Cooperation Period/Contract Year: B. Type of AS: C. Level of AS required: D. Eligibility requirements: E. Information memorandum: F. Instruction to Bidders: G. Schedule and Deadlines up to the Notice to Proceed 	Name of the Newspaper:		Dates of the Publication		1 st Publication Date:		2 nd Publication Date:	
Name of the Newspaper:										
Dates of the Publication										
1 st Publication Date:										
2 nd Publication Date:										
	<p>Posting the Invitation to Bid (ITB)</p> <p>Annex ____ of the Joint Application</p> <p>(Please specify the Annex/es where this/these document/s can be found)</p>	<p>Posting of the ITB in the TPBAC's website, if any, SO's website, DOE's website or DOE AS CSP E-based Portal, if available:</p> <p>Other means of publication and posting:</p>								
	<p>DOE-Approved Instruction to Bidders</p> <p>Annex ____ of the Joint Application</p> <p>(Please specify the Annex/es where this/these document/s can be found)</p>	<p>Is it consistent with the final TOR? Y/N:</p>								
	<p>Pre-bid Conference</p>	<p>Conducted within fourteen (14) calendar days after the publication of Invitation to Bid to address the queries of the prospective bidders.: Y/N?</p> <p>Date:</p> <p>Minutes of the Pre-Bid Conference: Annex ____</p> <p>Supplemental Bid Bulletins: Annex ____</p> <p>Issued at least fourteen (14) calendar days before the deadline for submission and receipt of bid: Y/N?</p> <p>Proof of posting of the Supplemental Bid Bulletins: Annex ____</p>								
	<p>Eligibility Requirements</p>	<ol style="list-style-type: none"> A. Corporate Profile of the bidders: B. Technical Proposal's requirements: C. Financial Proposal's requirements: 								
	<p>Submission of Bids</p>	<ol style="list-style-type: none"> A. Bidding Procedure: 								

		B. Acceptable Form of Bid and Performance Securities: Annexes ____
		C. Notarized Statement attesting to the information submitted for the bid: Annex ____
	Evaluation of Bids	A. Method and Criteria for evaluation: 1. Legal qualifications: 2. Technical qualifications: 3. Financial qualifications:
		B. Minutes of the Bid Opening: Annex ____
	Award of Contract	A. Resolution of the TPBAC recommending the award: Annex ____
		B. Abstract of Bids: Annex ____
		C. Bid Evaluation Report: Annex ____
		D. Proposals/Others Received: Annex ____
		E. Other Pertinent documents: Annex ____
	Execution of Contract	A. Resolution of the SO's BOD to award the contract to the winning bidder: Annex ____
		B. Date of Execution:
		C. Signed ASPA: Annex ____
		D. Notice of Implementation: Annex ____
	ASPA Template	Annex ____ of the Joint Application (Please specify the Annex/es where this/these document/s can be found.)
	Protest and Dispute Resolution Annex ____ of the Joint Application (Please specify the Annex/es where this/these document/s can be found.)	Protest Mechanism: Bidder/s who filed protest:

Appendix “B”

CHECKLIST OF REQUIREMENTS FOR ANCILLARY SERVICES PROCURED THROUGH DIRECT NEGOTIATION WITHOUT CSP

PART I. TECHNICAL REQUIREMENTS

REQUIREMENT	DETAILS	REMARKS
Proof of Eligibility for Direct Negotiation	Certification from the Market Operator for the following: <ul style="list-style-type: none"> • Insufficiency of any or all types of contracted AS persisting for three (3) months with Reserve Market schedules <50% of requirements; or • Sustained AS cost increase: (i) average cost $\geq 75\%$ of reserve offer cap in ≥ 1 major grid, for three (3) months; or (ii) average reserve rate of PhPo.25/kWh for any AS type for three (3) months. 	Pursuant to Section 8.3 (a) and (b) of DOE DC2025-08-0010
Capacity and Supply Specifications	Capacities contracted under the ASPA, including classification applied	Type of AS Grid location and Grid System map AS Requirement Level per AS type
	Power Plant Details to provide AS	Certificate of Compliance (COC) Accreditation Certificate
	WESM Registration	Supply validation
	Single-line Diagram (Plant and Connection)	For interconnection
	Actual AS Data on Required, Scheduled, and Dispatched (MW) for the Grid of the Previous Year.	Historical data
Supply Term Specifications	Technical aspects of the term of the ASPA related to supply delivery	Term of the ASPA Implementing Guidelines Outages Replacement Reserves
	Dispatch Protocol (for embedded generators)	For operational feasibility
Rate and Cost Structure	Rate Impact Simulation (PhP/kW and PhP/kWh)	Consumer impact for affordability
Rate Derivation and Computations	Detailed rate derivation/calculation	Excl formulas for build-up/cost-effectiveness
Cost of Generation	Computation of the true cost of generation	Fuel/O&M breakdown for efficiency
Indexation and Additional Costs	Summary of computed CPI and start-up and shutdown costs (SSC)	Monthly variable O&M Computations/formulas for sustainability
Other Supporting Documents	Existing bilateral contracts and existing ASPAs	Case Number/s Contracted Party Period Capacity/Energy Rate Intended for rate/capacity comparison
	Latest Audited Financial Statement	Verify O&M/fuel costs for rate reasonableness
	Latest GIS/AOI	Eligibility and Legal Authority
	Latest GCMR	Historical actual operational data

PART II. LEGAL REQUIREMENTS

REQUIREMENT	DETAILS	REMARKS		
1. ELECTRONIC FILING	CERTIFICATE OF EMAIL REGISTRATION (CER) NO.:			
	If not yet available, Reference No. of CER application:			
	VERIFIED DECLARATION (Y/N)	Date of Execution:		
	PRE-FILING DATE:			
	DATE OF EXECUTION OF ASPA: Justification, in case, the pre-filing request is beyond or if requested in a very short period prior to the expiration of the 15-day period requirement for filing the Joint Application in Section 11 of the Guidelines.			
2. APPLICATION	DATE:			
	SIGNED BY COUNSEL	Y/N:	Name/s & Law Firm:	
	NO. OF HARD COPIES (3) [N/A FOR ELECTRONIC PRE-FILING]			
	NO. OF SOFT COPIES (3) [N/A FOR ELECTRONIC PRE-FILING]			
3. VERIFICATION (VERIF)			NGCP	ASP
	DATE NOTARIZED			
	ID PRESENTED	Type of Government ID:		
		ID No.:		
		Date of Issuance:		
Date of Expiry:				
4. CERTIFICATION AGAINST FORUM SHOPPING (CAFS)	DATE NOTARIZED			
	ID PRESENTED	Type of Government ID:		
		ID No.:		
		Date of Issuance:		
Date of Expiry:				
5. AUTHORITY OF COUNSEL TO FILE THE SUBJECT APPLICATION	Board Resolution (BR); or	BR No.:		
		Date of Board Reso:		
	Secretary Certificate (Sec. Cert)	Name of Authorized Counsel as indicated in the BR:		
		Date Issued:		
6. AUTHORITY OF THE AFFIANT TO EXECUTE VERIF/CAFS FOR THE SUBJECT APPLICATION	Board Resolution (BR); or	BR No.:		
		Date of Board Reso:		
		Name of Authorized Counsel as indicated in the BR:		

	Secretary Certificate (Sec. Cert)	Date Issued:		
		Name of Authorized Counsel as indicated in the BR:		
7. SERVICE OF THE APPLICATION TO THE LOCAL GOVERNMENT UNITS (LGUs) OF THE PROVINCE, CITY OR MUNICIPALITY WHERE APPLICANTS PRINCIPALLY OPERATE	D) CERTIFICATIONS FROM GOVERNOR, CITY OR MUNICIPAL MAYOR AND SANGGUNIANG PANLALAWIGAN, PANLUNGSOD OR BAYAN			
	LGU OF:			
	LGU OF:			
	LGU OF:			
	LGU OF:			
	Please provide additional information in the Other Remarks, if necessary.			
	E) IN THE ABSENCE OF CERTIFICATION			
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	LGU OF:			
	AFFIDAVIT OF SERVICE	Date of the Affidavit:	Name of the Affiant:	
	APPLICATION WITH STAMP "RECEIVED"/ACKNOWLEDGMENT	Date Received by the LGU:		
	Please provide additional information in the Other Remarks, if necessary.			
F) IF NOT RECEIVED, REASON AND/OR PROOF OF REFUSAL				
LGU OF:	REASON/PROOF:			
LGU OF:	REASON/PROOF:			
LGU OF:	REASON/PROOF:			
AFFIDAVIT OF PUBLICATION	Date of the Affidavit:			

8. PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE APPLICANTS FRANCHISE AREA	NEWSPAPER	Name of the Publisher:
	NEWSPAPER ISSUE CONTAINING THE PUBLICATION	Volume:
	• APPLICATION	Page where the Application can be found:
	• VERIFICATION	Is it included in the Publication: Y/N?
	• CERTIFICATION AGAINST FORUM SHOPPING (CAFs)	Is it included in the Publication: Y/N?
9. AS WITHOUT CSP	PROOF OF EXEMPTION FROM THE CONDUCT OF CSP	
	Directive of DOE or DOE's approval of SO's request (DOE Advisory) Annex ____ of the Joint Application (Please specify the Annex/es where this/these document/s can be found.)	Number (if any): Date:
	Ancillary Service Agreement Procurement Plan (ASAPP) Annex ____ of the Joint Application (Please specify the Annex/es where this/these document/s can be found.)	Date of Occurrence of Insufficiency of contracted AS: Date of Execution: ASAPP years covered (reviewed by the DOE): AS Type: Certificate from the Market Operator: Details proving that the condition/s under Section 8.3 of DOE Circular No. 2025-08-0010 are met: