



ESAMELCO Competitive Power Supply Procurement (ECPSP) for RPS Power Supply (2024-2044)

INVITATION FOR NEGOTIATION

Pursuant to the Department of Energy (DOE) Department Circular No. DC 2018-02-003, DC 2021-09-0003, and DC 2023-06-0021, Energy Regulatory Commission Resolution No. 16 Series of 2023, and National Electrification Administration (NEA) Memorandum No. 2023-057, Eastern Samar Electric Cooperatives, through its Third Party Bids and Awards Committee (TPBAC), are inviting power suppliers to participate in this Competitive Power Supply Procurement process for the Renewable Portfolio Standards (RPS) power supply requirement of ESAMELCO as follows:

Table 1 RPS Requirement of ESAMELCO			
Contract Year	Duration	Demand Capacity	Energy (Minimum/year)
2024	June 26, 2024 – December 25, 2024	4 MW	8,760 MWh
2025-2043	December 26, 2024 – December 25, 2043	4 MW	17,520 MWh
2044	December 26, 2043 – June 25, 2044	4 MW	8,760 MWh

- Bidder shall offer to supply the total RPS requirement for all of the Contract Years.
- Winning Bidder shall enter into Power Supply Agreements (PSAs) with ESAMELCO.
- Capacity Utilization Factor shall be 50% or higher.
- Each bidder shall be a qualified RPS supplier pursuant to existing DOE Guidelines.
- Winning Bidder shall ensure that the Renewable Energy Certificates (RECs) produced be credited to ESAMELCO.
- The RECs corresponding to the energy actually delivered in excess of the minimum energy required shall be credited to ESAMELCO.

ELIGIBLE PROPONENTS:

Generation Company (GENCO) that owns and/or operates an RPS-eligible existing or to be constructed power plant; IPP Administrator of privatized IPP PPA of NPC through an IPPA contract awarded by PSALM that is an RPS eligible power plant; and/or RPS eligible Licensed Wholesale Aggregator with (i) existing capacity contracts or has arranged for a capacity contract in response to this tender, or (ii) a firm commitment to supply from WESM at fixed prices.

SCHEDULE OF ACTIVITIES:

Subject to appropriate and timely notice, TPBAC reserves the right to amend the schedules as shown below:

ACTIVITIES	DATE
Virtual Proponents Conference	January 12, 2024
Deadline for Proponents to Submit Proposal	January 26, 2024 (10:00AM)
Opening and Evaluation of Submitted Proposal	January 26, 2024

GENERAL INFORMATION:

Interested proponents may obtain a copy of the Financial Offer Template and Eligibility Checklist upon Letter of Request.

Interested proponents' questions will be answered by the TPBAC during the Proponents Conference. Proponents are encouraged to attend the said Conference.

The TPBAC reserves the right to amend the schedule of activities. The selection of successful offer shall be based on the best and final offer that will be submitted on the set deadline by the TPBAC and which would meet the minimum technical specification required.

For further information, please refer to:

ESAMELCO Competitive Power Supply
Procurement (ECPSP)

Business Address: **ESAMELCO Brgy. Cabong, Borongan City,
Eastern Samar**

Email Address: **esamelcocsp@gmail.com**

Contact Person: **Shella Mae C. Calapano/ Dea Lyn Bacula**

Contact Number: **0910- 412-4760**

By:


ATTY. LIONEL A. TITONG

TPBAC – Chairman
January 05, 2024

TERMS OF REFERENCE

A. GENERAL INFORMATION	
DESCRIPTION	RPS
1 NAME OF UTILITIES	EASTERN SAMAR ELECTRIC COOPERATIVE, INC. (ESAMELCO)
2. AREA TO BE SERVED	Grid
3. CURRENT YEAR OF FILING	2023
4. PREREQUISITE FOR TOR SUBMISSION	<ul style="list-style-type: none">•DOE Approval of TPBAC Selection Process June 17, 2022•NEA-Endorsed DDP to DOE (Current Year) March 15, 2023•NEA-Endorsed PSPP to DOE (Current Year) March 15, 2023•NEA issuance of Notice to Proceed (for ECs) October 10, 2023•NEA Issuance of Notice to Undertake Direct Negotiation December 28, 2023
5. TARGET DATE OF POSTING	January 05, 2024
B. REQUIREMENTS	
1. GENERAL SUPPLY DESCRIPTION	<div>Purpose of Procurement: As scheduled in the PSPP and for RPS Compliance</div> <div>Supply Type: Firm</div> <div>Supply Side: Mid-Merit</div>
2.TERMS OF SUPPLY SERVICES	<div>Capacity: 4 MW</div> <div>Type of Technology: Limited to RPS eligible renewable energy only.</div> <div>Contract Energy: 17,520 MWh/year</div> <div>Delivery Period: 20 years</div> <div>Inclusive Dates: June 26, 2024 to June 25, 2044</div> <div>Conditions Precedent to Start of Supply: ERC approval of the PSA</div>
3. COST AND TARIFF STRUCTURE	<div>3.1 For Capacity-based contract, the bidder shall specify both its levelized Capacity Payment Offer in PhP/kW/month and Energy Payment Offer in PhP/kWh in its bid proposal.</div> <div>3.2 The Bidder shall provide the detailed calculation (template) of its payment offers including formula and references. All cost items such as capital cost, fuel, and other operation and maintenance costs shall be itemized and classified into Fixed Cost and Variable Cost as may be applicable.<ul style="list-style-type: none">• Fixed Cost<ul style="list-style-type: none"><input checked="" type="checkbox"/> Capital Cost<input checked="" type="checkbox"/> Fixed Operation and Maintenance Costs<input type="checkbox"/> Others (please specify)• Variable Cost<ul style="list-style-type: none"><input checked="" type="checkbox"/> Operation and Maintenance (O&M)<input checked="" type="checkbox"/> Fuel Cost<input type="checkbox"/> Others (please specify)<div>a. No indexation or escalation on Capital Recovery Fee (CRF)</div><div>b. Fixed O&M fee shall be in Philippine Peso</div><div>c. Variable O&M fee shall be indexed on FOREX and Philippine CPI</div><div>d. CRF can be indexed to average FOREX during the Construction period.</div><div>e. Variable cost shall be substantiated with receipts/documents.</div></div> <div>3.3 Bidder shall also specify all other applicable charges incorporated in its payment offers such as, but not limited to, connection facilities, wheeling charges, metering, communication equipment, and government taxes or levies.<ul style="list-style-type: none">o Applicable Charges<ul style="list-style-type: none"><input type="checkbox"/> Connection Facilities<input type="checkbox"/> Wheeling Charges<input type="checkbox"/> Metering<input type="checkbox"/> Communication Equipment<input checked="" type="checkbox"/> Government Taxes/Levies</div> <div>3.4 Bidder shall specify its Total Landed Generation Cost in PhP/kWh covering items 3.1 to</div>

	<p>3.3 and shall serve as Financial Bid Price.</p> <p>3.5 Capacity payment shall only be paid when the capacity is available on the particular billing period.</p>
4. PAYMENT MODALITIES	<p>Mode of Payment: Manager's Check and Bank Transfer</p> <p>Currency of Payment: Philippine Peso</p> <p>Billing Period: Monthly</p> <p>Bidder shall specify its offer of prompt payment discount and other incentives to the Distribution Utility (DU) in its bid proposal.</p>
5. OUTAGES AND REPLACEMENT POWER	<p>5.1 In all instances of outage regardless of cause, including delay in the initial delivery, the Supplier shall provide for the replacement power, except in cases enumerated in Section 6.</p> <p>5.2 The cost of Replacement Power shall be the PSA rate or the actual replacement rate, whichever is lower.</p> <p>5.3 In case the Seller arranges for Replacement Power during Outages, Line Rental shall be charged as if Power came from the original powerplant. If the cost of line rental from the replacement power is higher than the cost of line rental from the supplier, the excess shall be charged to the Supplier, otherwise the Supplier shall refund the difference to the DU.</p>
6. FORCE MAJEURE	<p>6.1. The events that shall be deemed as Forced Majeure and analogous circumstances shall be in accordance to DOE CSP Policies 2021-09-0030 section 3.30.</p> <p>6.2. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations herein (other than the obligation to make payments when due or becoming due with respect to performance prior to the Force Majeure). During the Force Majeure event, the non-Claiming Party shall likewise be relieved of its obligations to the Claiming Party, but only those obligations corresponding to the performance of the Claiming Party excused by such Force Majeure event, unless provided otherwise.</p> <p>The Claiming Party shall always attempt to remedy the Force Majeure with all reasonable dispatch.</p> <p>6.3. There will be no payment of any capacity fee in case of outage during any force majeure.</p>
7. GROUNDS FOR CONTRACT TERMINATION	<p>7.1 Valid grounds for terminations are:</p> <ul style="list-style-type: none"> a. Event of Default b. Expiration of cooperation period c. Failure to achieve Commercial Operation Date (COD) d. Mutual agreement by both parties e. Extended Force Majeure as agreed under the PSA. f. Changes in the circumstances as agreed under the PSA. g. Others, please specify: Not Applicable <p>7.2 Rate deductions made by the ERC shall not be a valid ground for the termination of the contract. DU shall not pay for the said rate reduction or adjustments.</p>
8. LIQUIDATED DAMAGES	<p>8.1 Liquidated damages in case of default shall be equal to the present value of the Capacity Payment computed on a 365-day basis for the remaining term of the PSA.</p> <p>8.2 The discount rate to be used shall be the prevailing discount rate at the time of default. (World Bank rate)</p>
9. REDUCTION OF CONTRACT CAPACITY	<p>9.1 The reduction of contract capacity shall be allowed in case of:</p> <ul style="list-style-type: none"> TRUE Loss of captive customers due to Retail competition and Open Access (for on-grid areas only) TRUE Reduction of demand of the DU due to special circumstances beyond the control of the DU. <p>9.2 Customer may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract it no longer requires to:</p> <ul style="list-style-type: none"> a) Any of its business segments without the prior consent of Power Supplier; or b) Any affiliate, third party, or c) other ECs subject to the consent of Power Supplier <p>9.3 The consent by the Power Supplier shall not be unreasonably delayed or conditioned at the disadvantage of the DU.</p> <p>9.4 Any reduction shall require approval of the ERC and must comply with applicable rules of competition set by the Government.</p>

10. OBLIGATIONS OF THE DU	The DU shall provide assistance to the successful bidder in the processing of permits and similar requirements from all national agencies and local government units especially if the resulting PSA involves the construction of a new power plant.
11. PROPONENT'S QUALIFICATIONS	<p>11.1 All forms of business organizations including Joint Ventures are encouraged to participate in the bidding process subject to applicable government licenses and permits.</p> <p>11.2 The bidder must comply with the constitutional requirement for ownership.</p> <p>11.3 The capacity offer of the bidder must be compliant with all the ownership limitations prescribed under EPIRA.</p> <p>11.4 Bidders may only offer supply from eligible existing or to be constructed RE plants.</p> <p>11.5 For new power suppliers, the qualification shall be based on: (i) the experience and competence of its personnel to manage and operate the plant; and (ii) acceptability of its operational management plan during technical bid evaluation.</p> <p>11.6 If bidder is formed as partnership, corporation, consortium, joint venture or any similar association for purposes of this CSP, it must present an agreement showing that the Bidder and all its partners, shareholders, joint venture, associates, as may be applicable, are jointly and severally liable to (EC) for any and all costs and obligations arising from this CSP and the resulting PSA.</p>
12. ASSIGNMENT	<p>Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party.</p> <p>Replacement of Power by a third party shall not be construed as an assignment within the purview of this agreement.</p>
13. RISK MITIGATION AND VALUE-ADDED SERVICES	<p>A risk mitigation agreement shall be agreed upon by the Seller and the Buyer to mitigate the risks on account of:</p> <ul style="list-style-type: none">a. Price Volatility in the WESMb. Other agreements to be finalized under the PSAc. Prompt Payment Discount and other discounts