



TERMS OF REFERENCE

Procurement of 36 MW Power Supply Agreement

No.	Items	Requirements																		
1	Type of Contract	<ul style="list-style-type: none"> Base Load, Firm, Take-and-Pay Scheme 																		
2	Contracted Capacity	<ul style="list-style-type: none"> 36 MW 																		
3	Contracted Energy	<ul style="list-style-type: none"> 66,000 MWH in 2022 and Minimum of 308,000 MWH in 2023-2032 																		
4	Contract Duration	<ul style="list-style-type: none"> 123 months commencing from September 26, 2022 to December 25, 2032 																		
5	Target Delivery Date	<ul style="list-style-type: none"> September 26, 2022 																		
6	Tariff Structure	<ul style="list-style-type: none"> Tariff component, unbundled to: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Tariff Component</th> <th style="width: 20%;">Unit</th> <th style="width: 20%;">Unit</th> </tr> </thead> <tbody> <tr> <td>True Cost of Generation Rate</td> <td></td> <td>Php/kWh</td> </tr> <tr> <td>a. Capital Recovery Fee (CRF)</td> <td>Php/kW/month</td> <td>Php/kWh</td> </tr> <tr> <td>b. Fixed O&M (FOM)</td> <td>Php/kW/month</td> <td>Php/kWh</td> </tr> <tr> <td>c. Variable O&M (VOM)</td> <td></td> <td>Php/kWh</td> </tr> <tr> <td>d. Fuel Fee (if any)</td> <td></td> <td>Php/kWh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Specify formula for base fee adjustment affected by factors such as CPI, Forex and Escalation due to fuel degradation and others FOM is indexed on Philippine CPI (PhCPI) VOM may be indexed on PhCPI and/or Forex Fuel Fee may be indexed on fuel price and Forex Fossil fuel is passed-on charge based on actual market price but limited to guaranteed fuel rate per Li/kWh Lube Oil is based on local market price at guaranteed fuel rate per Li/kWh No indexation or escalation on CRF Present levelized cost of electricity (LCOE) for the 10 years term 	Tariff Component	Unit	Unit	True Cost of Generation Rate		Php/kWh	a. Capital Recovery Fee (CRF)	Php/kW/month	Php/kWh	b. Fixed O&M (FOM)	Php/kW/month	Php/kWh	c. Variable O&M (VOM)		Php/kWh	d. Fuel Fee (if any)		Php/kWh
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7	Outage Allowance (OA)	<ul style="list-style-type: none"> Scheduled OA not exceeding thirty (30) days per year Unscheduled OA not exceeding five (5) days per year No carry-over of OA to any subsequent contract year No crediting of OA from scheduled to unscheduled and vice versa 																		
8	Force Majeure (FM)	<ul style="list-style-type: none"> Parties shall determine FM events and establish the action plans No payment of CRF and FOM PELCO I shall not be required to make payments for any of the following: <ul style="list-style-type: none"> (a) Capacity that is unavailable; and (b) Capacity that it cannot accept 																		
9	Replacement Power (RP)	<ul style="list-style-type: none"> Supplier shall provide RP in the following cases, except for FM events: (a) During any delay from target delivery date; (b) Scheduled or unscheduled outages; and (c) any extension on allowable outages PELCO I shall pay RP rate either ERC approved contract rate or actual, whichever is lower Failure of the Supplier to provide RP, PELCO I shall be allowed to source RP at the expense of the Supplier 																		
10	Currency	<ul style="list-style-type: none"> Philippine Peso 																		
11	ERC Approval	<ul style="list-style-type: none"> Parties shall file with the ERC the joint application for the approval of the PSA in accordance with the ERC Rules The tariff, terms and condition of the power supply agreement shall be subject to either provisional authority or final approval of ERC Winning Bidder shall make the necessary adjustments in accordance with the directives of the ERC. Any downward adjustment in the rates shall not be a ground for the termination of the contract and PELCO I shall not shoulder the incremental difference 																		