



**PROVINCE OF SIQUIJOR ELECTRIC COOPERATIVE, INC.**  
**( PROSIELCO )**  
 Nonoc, Larena, Siquijor

Pursuant to Item 1 of I-05,<sup>1</sup> Item 1 of II-01,<sup>2</sup> and Item 6 of II-23<sup>3</sup> of the Bidding Procedures for the *Competitive Selection Process for the Procurement of Power Supply for the Province of Siquijor* (the “Transaction”), the PROSIELCO Bids and Awards Committee (“PROSIELCO-BAC”) hereby issues this Supplemental Bid Bulletin No. 1.

**1. Revised Schedule of Bidding Activities for the Transaction**

Please be advised that the Issuance of the Final Transaction Documents to Bidders, which was originally scheduled on 12 September 2025 shall be moved to **19 September 2025**. The subsequent bidding activities shall likewise be rescheduled, as reflected in the following *Revised Schedule of Bidding Activities*:

<b>Activity</b>	<b>Schedule</b>
Issuance of Final Instruction to Bidders	19 September 2025
Bid Submission Deadline, Opening, and Evaluation of Bids	October 07, 2025
Post Qualification and Detailed Evaluation of Bids to Determine the Lowest Calculated and Responsive Bid	October 08-17, 2025
Issuance of Notice of Award to Winning Bidder	November 28, 2025
Signing of Power Supply Agreements	December 17, 2025

The PROSIELCO-BAC shall issue the Final Transaction Documents to the prospective Bidders via their registered email address on 19 September 2025. A separate Bid Bulletin shall be issued for this purpose.

**2. Response to Bidder Questions**

The PROSIELCO-BAC’s official response to the questions raised by the prospective Bidders is attached as **Annex “A”** to this Supplemental Bid Bulletin No. 1.

Kindly acknowledge receipt of this Supplemental Bid Bulletin No. 1 in the space provided below and email it back to the PROSIELCO-BAC through [prosielcocsp2025@gmail.com](mailto:prosielcocsp2025@gmail.com). For inquiries, please contact the PROSIELCO-BAC Secretariat Nilda A. Lomongo at 09176340387.

For your information and guidance.

Approved by: PROSIELCO-BAC

  
**ENGR. PETER EFREN B. LAURIE**  
 Chairperson, PROSIELCO-BAC

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We hereby acknowledge receipt and acceptance of the terms and conditions outlined in this Bid Bulletin.

Received by: \_\_\_\_\_  
 Name of Company: \_\_\_\_\_  
 Date: \_\_\_\_\_

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<sup>1</sup> The PROSIELCO BAC reserves the right to amend, revise, modify, or clarify, in whole or in part, any of the Transaction Documents at any time. Any such amendments, revisions, modifications, or clarifications shall be issued through Supplemental Bid Bulletins (“SBB”), which shall be made available to all prospective Bidders

<sup>2</sup> The BAC reserves the right to amend the Schedule of Bidding Activities, provided that due notice is given to all prospective Bidders

<sup>3</sup> The BAC reserves the right to add to, modify, supplement or change the Transaction Documents, including the Schedules, at any time, for any reason whatsoever, with due notice to the Bidders

## PROSPECTIVE BIDDERS' COMMENTS OR SUGGESTED AMENDMENTS TO THE TRANSACTION DOCUMENTS

## Terms of Reference

<u>No.</u>	<u>Provision</u>	<u>Comment and/or Suggested Amendment</u>	<u>Explanation for the Comment or Suggested Amendment</u>	<u>PROSIELCO BAC Comment/Response</u>																				
1.	<p>The Winning Bidder shall make available the Guaranteed Dependable Capacity ("GDC") as shown below: Year Total Capacity, GDC (MW)</p> <table border="1" data-bbox="214 704 779 1382"> <tbody> <tr><td>2026</td><td>5</td></tr> <tr><td>2027</td><td>6</td></tr> <tr><td>2028</td><td>7</td></tr> <tr><td>2029</td><td>8</td></tr> <tr><td>2030</td><td>9</td></tr> <tr><td>2031</td><td>10</td></tr> <tr><td>2032</td><td>11</td></tr> <tr><td>2033</td><td>11</td></tr> <tr><td>2034</td><td>11</td></tr> <tr><td>2035</td><td>11</td></tr> </tbody> </table>	2026	5	2027	6	2028	7	2029	8	2030	9	2031	10	2032	11	2033	11	2034	11	2035	11	We would like to clarify if the BAC intended to have the bidder mobilize on an annual basis an increment of 1MW until the 11MW total contracted capacity is reached.	This will result in a higher TCGR considering high mobilization cost due to the annual construction and installation that will be done by the winning bidder.	The incremental capacities indicated are based on PROSIELCO's demand forecast. The obligation of the Winning Bidder is to ensure that the required annual capacities are available as scheduled. The manner or strategy of mobilization, including whether to construct in phases or in bulk, is left to the discretion of the Winning Bidder, provided that the annual Guaranteed Dependable Capacity is met.
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2.	The TOR states that the demand requirement is for a baseload capacity.	We kindly request clarification on the merit order during operations.  Which entity will supply the peaking, reserve and ancillary services?	This is to ensure that the bidders are able to size the gensets in accordance with the demand requirements and take this into consideration in terms of computing for the bid rates.	Dispatch shall follow the economic merit order, consistent with the least-cost principle and subject to applicable DOE and ERC rules.  If the Winning Bidder shall be the sole power provider in the island, the Winning Bidder should be ready to provide PROSIELCO's full demand requirements at the required GDC.	
3.	The connection scheme shall be via cut-in connection at the 13.2kV distribution line of PROSIELCO, with a bypass connection integrated into the cut-in design. The transformer shall have a three-winding configuration. The detailed configuration	We kindly request clarification on the requirement for a three-winding transformer.	Requiring a three-winding transformer without a defined technical purpose may lead to unnecessary costs for bidders and higher tariff pass-through to consumers. A three-winding	The three-winding transformer shall include windings at 69 kV and 13.8 kV to ensure compatibility with PROSIELCO's existing 13.8 kV distribution system, while also providing readiness for future	

	<p>shall be elaborated in the Transaction Documents.</p>		<p>transformer is typically specified only when there is a need to accommodate multiple voltage levels (e.g., 69 kV sub transmission and 13.2 kV distribution), or provide a dedicated path for future expansion and system support. If none of these applications are planned within the PSA, a two-winding configuration would adequately meet the interconnection requirement while minimizing cost and simplifying operations and maintenance.</p> <p>Since the PSA is intended to connect only at PROSIELCO's 13.2 kV distribution lines, requiring a tertiary winding is not clearly defined. If the tertiary is indeed required, kindly indicate its intended function (e.g. for other feeders such as a 69 kV interconnection or provision for future interconnection).</p>	<p>interconnection at 69 kV once such facilities are in place.</p>
4.	69 kV Provision (Interconnection Facilities)	We would like to request clarification	This is to ensure that the costs	The Transformer and 69 kV Bus

		<p>whether the costs associated with the 69 kV interconnection, accessories, and transmission lines should be included in the bidders' proposals and financial models.</p>	<p>related to 69kV provision will be considered in the proposal and is an expected CAPEX during the cooperation period.</p> <p>This is also to ensure fair comparison of bids across all bidders by confirming if 69 kV facilities should be included in the rate base/evaluation at the outset.</p>	<p>should be included, but the 69kV interconnection, accessories, and transmission lines should be excluded.</p> <p>The '69 kV Bus' shall mean only the substation bus conductor system at the 69 kV level that links the 3-winding transformer to a future 69kV transmission system.</p>
5.	<p>The power plant shall be located in either the Municipality of Maria or the Municipality of Enrique Villanueva, at the option of the Bidder. The detailed technical configuration and site requirements for the power plant shall be specified in the Transaction Documents</p>	<p>We would like to request clarification on the basis for restricting the site location to only Maria or Enrique Villanueva. If possible, we recommend allowing other municipalities within Siquijor as potential locations, provided the site meets technical and environmental requirements and can connect to PROSIELCO's 13.2 kV system reliably.</p>	<p>Restricting bidders to only Maria or Enrique Villanueva may unnecessarily limit competitive participation if suitable land or infrastructure cannot be secured in those municipalities. Providing clear site qualification parameters would allow bidders to propose technically and commercially optimal sites while still ensuring reliability of interconnection to PROSIELCO's network.</p> <p>This approach balances flexibility for bidders with assurance for PROSIELCO that the proposed plant will be feasible, accessible, and</p>	<p>Reliability, voltage stability, and power quality considerations necessitate locating the plant within the municipalities of Maria or Enrique Villanueva.</p>

			<p>compliant with regulatory requirements.</p> <p>It may be useful for PROSIELCO to specify whether this restriction is due to proximity to existing distribution lines, land availability, environmental permitting, or logistical access. If possible, we recommend allowing other municipalities within Siquijor as potential locations, provided the site meets technical and environmental requirements and can connect to PROSIELCO's 13.2 kV system reliably.</p>	
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6.	<p><u>II-01 Schedule of Bidding Activities</u></p> <p>Bid Submission Deadline, Opening, and Evaluation of Bids - September 30, 2025</p>	<p>We request a two (2)-week extension of the Bid Submission Deadline, Opening, and Evaluation of Bids, currently scheduled for September 30, 2025, to October 14, 2025.</p>	<p>The preparation of a responsive proposal for this transaction requires substantial time to consolidate technical, financial, and legal documentation, particularly for hybrid and multi-technology configurations. An extension will allow bidders to prepare more comprehensive submissions that fully address the requirements of the Bid Documents, thereby promoting fair competition and ensuring the Bid Committee receives the most robust, innovative, and least-cost proposals. This short extension will not materially affect the overall project timeline but will significantly improve the quality and competitiveness of the bidding process.</p>	<p>Please see the <i>Revised Schedule of Bidding Activities for the Transaction</i></p>
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**Bidding Procedures**

<b>No.</b>	<b><u>Provision</u></b>	<b><u>Comment and/or Suggested Amendment</u></b>	<b><u>Explanation for the Comment or Suggested Amendment</u></b>	<b><u>PROSIELCO BAC Comment/Response</u></b>
7.	Further, all Bidders are hereby informed that although the projected capacity requirements of PROSIELCO range from 5 MW to 11 MW from 2026 to 2040, PROSIELCO reserves the right to require the full Contract Capacity of 11 MW at an earlier period. Such adjustment in capacity requirement shall be subject to prior coordination with, and scheduling alignment by, the Winning Bidder, but shall not require the latter's approval.	Based on this provision, it appears that Bidders may be required to deliver the full Contract Capacity of 11 MW at any time during the contract period, e.g. at Year 1.  May we confirm whether the requirement of PROSIELCO is for Bidders to install, from Year 1, a facility capable of supplying the entire 11 MW Contract Capacity, rather than scaling the capacity based on the projected annual increments.	To ensure that the Bidders will factor this requirement into their bid assumptions and design.	The BAC confirms that it may require the Winning Bidder to deliver up to the full 11 MW Contract Capacity earlier than the projected annual increments. However, any such adjustment or acceleration shall be implemented with prior coordination and proper scheduling with the Winning Bidder, to allow sufficient time for planning and mobilization.  It is preferred that the entire 11 MW contracted capacity be installed at Year 1, but is not mandatory on the part of the Winning Bidder.
8.	Further, Bidders must submit to the BAC one (1) complete photocopy set of the contents of the Main Envelope/s and its sub-envelopes and folders. For the purpose of determining the Bidder's compliance with the requirements of this Transaction, only	We would like to clarify if the Bidder may opt to submit CTCs for both required sets, in lieu of submitting one set of originals/CTCs and one photocopy set.	This will help bidders ensure consistency across submissions and minimize the risk of issues arising from incomplete or inconsistent photocopies.	Yes, provided that Bidders take note of the following:  • Certified true copies may be issued by the person or officer holding the original copy of the

the original and physical Main Envelope/s and its respective sub-envelopes and folders shall be considered. The photocopy sets are for reference purposes only.

document or by any other appropriate Governmental Authority.

- Documents executed by the Bidder specifically for this Transaction (e.g., board resolutions, secretary's certificates, accomplished schedules for this Transaction) must be submitted as original copies.
- As much as possible, Bidders shall submit original copies or certified true copies of the documents they intend to submit for this Transaction. Bidders shall resort to submitting photocopies only if said document cannot be reasonably presented to the BAC on Bid Submission Date.
- The Bid Security, in whatever form, must be submitted in the original. Photocopies or

				certified true copies shall not be accepted.
9.	Deadline for submission of advance written comments from Prospective Bidders prior to the Pre-bid Conference, in the form prescribed in SCHEDULE 4, shall be two (2) days before the Pre-bid Conference at 5:00 PM.	We would like to confirm whether the term "days" in the Bidding Procedures refers to calendar days, and if this applies to all references to "days" throughout the document, unless otherwise specified.	To ensure uniform interpretation of timelines and deadlines, and to avoid any misunderstandings or unintended non-compliance with the procedural requirements during bid preparation and submission.	Confirmed
10.	Affiliate Equity Contribution: A sworn commitment of the Bidder's Affiliate to infuse the required equity contribution to the Bidder (see SCHEDULE 14)	In cases wherein the Bidder intends to incorporate an SPC, may we confirm whether the Bidder is also required to submit a Sworn Commitment that it will infuse the required equity contribution to the SPC?  If allowed, we would like to suggest a Schedule 14 (B) AFFIDAVIT BY BIDDER TO INFUSE EQUITY (to a Project Company to be Incorporated) as option template reflected in <b>Annex B</b> .	This is to ensure that bidders are able to comply with all the requirements of the bid.	Accepted.
11.	The Bidder shall submit convincing proof of commitment of its available credit lines to finance the debt portion of the project as stated in the Bidder's equity and financing plan. Said proof may be in the form of a	In cases wherein the bidder will be incorporating an SPC, we kindly request clarification on whether the bidders have to show that the available credit lines of the bidder be made available to the SPC	This is to ensure that bidders are able to comply with all the requirements of the bid.	The convincing proof of commitment of available credit lines should be made available to the Bidder itself with the option to assign such credit line to its

	Letter of Credit, Bank Guaranty or Committed Line of Credit, or any proof of firm commitments from a reputable financial institution to provide credit lines.	for the funding of the project?		designated special purpose company, if such is the case.
12.	<p>Bid Security – 2. The Bid Security offered by the Bidder must be in Philippine Peso and in the form of:</p> <p>a. Cash or cashier’s/manager’s check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument;</p> <p>b. Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank;</p> <p>c. In case the Bid Security is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Bid Security shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.</p>	We would like to request for the BAC to allow us to submit a proposed template for the irrevocable letter of credit and the credit line certification.	The template will ensure consistency, compliance with minimum acceptable terms, and ease of review for the BAC.	<p>No standard template will be issued, as each financial institution has its own format for preparing LOCs or Proof of Credit Lines.</p> <p>For the Bid Security, bidders are free to use any template, provided it complies with the requirements of Annex H (the Bid Security Evaluation Form).</p>

	<p>The Bidder, either directly or through an Affiliate, must have or must have had at least one (1) power supply contract with a regulated off-grid offtaker for at least eleven (11) MW of Contract Capacity, with a minimum contract term of five (5) years prior to the Bid Submission Date.</p> <p>The Bidder shall submit (i) <b><u>a notarized certification confirming the foregoing</u></b>, and (ii) <b><u>a copy of the relevant power supply contract</u></b>.</p>	<p>13) We kindly ask if there is a preferred template for the certification referred to in item (i)?</p> <p>2) Considering that the PSAs are confidential in nature, may we request to attach only the first page and signature page of the PSA as proof of contract under this requirement.</p>	<p>1) The template will ensure consistency, compliance with minimum acceptable terms, and ease of review for the BAC.</p> <p>2) Some portions of the PSA should be treated with confidentiality.</p>	<p>1. No specific template is required, provided the certification clearly indicates that the Bidder has a power supply contract with a contract capacity of at least 11 MW and a minimum contract term of 5 years.</p> <p>2. Bidders shall submit the entire PSA, but may redact portions subject to confidentiality obligations, provided that the names of the contracting parties, the contract capacity, and the contract term are not redacted.</p>
13.	<p>Bidders shall be allowed an Outage Allowance (Scheduled and Unscheduled) of 48 hours per calendar year for all other equipment (e.g., connection equipment and common facilities) except for the generating facilities considering that PROSIELCO requires the installation of an N-1 unit.</p>	<p>May we confirm if the N-1 requirement shall be installed and maintained from Year 1?</p>	<p>To ensure that the Bidders will factor this requirement into their bid assumptions.</p>	<p>Confirmed.</p>
14.	<p>The Bidder, its Affiliate or Affiliates (if the Bidder shall use the technical and/or</p>	<p>We would like to confirm that the bidder is not required to secure a Certificate of</p>	<p>This is to ensure that bidders are properly guided with the Bidding</p>	<p>Confirmed that Bidders are <b>not</b> required to secure a Certificate of</p>

	financial qualifications of said Affiliate or Affiliates), or all members of the Joint Venture, Consortium, or Partnership (for Bidders participating as such) must secure and submit a Certificate of Good Standing from PROSIELCO and from each of their respective current regulated off-takers, whether electric cooperatives or private distribution utilities.	Good Standing from the regulated off-taker of their affiliates whose technical capability will not be used in this bidding?	Procedures.	Good Standing for regulated off-takers in the Philippines of their affiliates whose technical capability will not be used in this Transaction.
15.	The Bidder (and, where applicable, its Affiliate or members of a Consortium or Joint Venture) shall submit a list of all current regulated off-takers with whom it has existing Power Supply Agreements. For each customer, the list shall include the following information: 1. Full name and address of the regulated customer; 2. Contact details of the regulated customer, including telephone number, mobile number, fax number (if applicable), official website, and email address; 3. Name and official designation of the authorized contact person(s); and 4. Contact details of the authorized person(s), including mobile number and email address	We would like to confirm that the bidder is only required to provide these details for its affiliate whose technical/financial capability will be used for this bidding?	This is to ensure that bidders are properly guided with the Bidding Procedures.	Confirmed

<p>The Bidder shall submit the Certificate of Compliance (“COC”) or the Provisional Authority to Operate (“PAO”) issued by the ERC for the power plant it submitted in compliance with the minimum dependable capacity requirement stated above. The COC or PAO must include the complete terms, conditions, and technical specifications issued by the ERC and must be valid as of the Bid Submission Date.</p>	<p>Will the BAC accept the ERC letter directive and the previously issued PAO/COC (where the same technical specifications are indicated) in lieu of the actual latest/valid PAO with complete terms and conditions?  If allowed, we would like to suggest the following revisions to the requirement:</p>	<p>The PAO extension application for the bidder’s affiliate whose technical capability will be used for this bidding has already been approved by the ERC and is now pending release subject to the submission of some documents.</p>	<p>The following suggested revision shall <b>not</b> be allowed:</p>
	<p>The Bidder shall submit the Certificate of Compliance (“COC”) or the Provisional Authority to Operate (“PAO”) issued by the ERC for the power plant it submitted in compliance with the minimum dependable capacity requirement stated above. The COC or PAO must include the complete terms, conditions, and technical specifications issued by the ERC and must be valid as of the Bid Submission Date.</p>		<p><i>In the event that the bidder uses an affiliate’s technical capability whose power plant is no longer operational or was under a Power Supply Agreement with a regulated offtaker in off-grid area, in order to comply with the minimum dependable capacity requirement, the bidder shall be allowed to submit a copy of its ERC COC/PAO covering the last operations year of the said power facility.</i></p>
	<p><b><u>In the event that the bidder uses an affiliate’s technical capability whose power plant is no longer operational or was under a Power Supply Agreement with a regulated offtaker in off-grid area,</u></b></p>		<p>The following suggested revision is accepted:</p> <p><i>In the event that the PAO/COC of the existing power facility of the bidder or its affiliate whose technical capability will be used to comply with the bidding requirements, valid as of submission date will not be available, the bidder must present a (a) Certification from the ERC of the</i></p>

		<p><b><u>in order to comply with the minimum dependable capacity requirement, the bidder shall be allowed to submit a copy of its ERC COC/PAO covering the last operations year of the said power facility.</u></b></p> <p><b><u>In the event that the PAO/COC of the existing power facility of the bidder or its affiliate whose technical capability will be used to comply with the bidding requirements, valid as of submission date will not be available, the bidder must present a (a) Certification from the ERC of the status of its on-going</u></b>  application/renewal and a (b) ERC CTC of its previous PAO/COC, if the pending application is for PAO/COC renewal.</p>		<p><i>status of its on-going application/renewal and a (b) ERC CTC of its previous PAO/COC, if the pending application is for PAO/COC renewal</i></p>
16.	<p>b. The Bidder shall submit its Generation Company Management Report (GCMR) file with the ERC from 2020 to 2024.</p> <p>If the Bidder shall use the qualifications of its Affiliate for the Technical Eligibility requirements for this Transaction, the Bidder must also submit the GCMR of the said Affiliate from 2020 to 2024.</p>	<p>May we confirm if a copy of the COCs/PAOs covering a minimum period of 5 years and copies of other ERC and DOE operational reports are acceptable alternative proof to a GCMR to prove the track record of the power plant for the past five (5) years?</p>	<p>This is to ensure that bidders are properly guided with the Requirements for Technical Eligibility.</p>	<p>Yes, but submission of the GCMR is preferred. Bidders are kindly requested to attach all available GCMRs.</p>

	In lieu of a GCMR, the Bidder may submit any proof of or documentation on track record for the last five (5) years of power plants operated by it.			
17.	For Bidders offering a Renewable Energy power plant, Bidder shall submit a copy of the pertinent Renewable Energy Service Contract.	May we confirm that the non-submission of an RE Contract for bidders offering RE technology shall result in disqualification?	This is to ensure that bidders are able to comply with the Technical Proposal and Evaluation requirement.	<p>Confirmed.</p> <p>Allowing bidders to offer a Renewable Energy (RE) power plant without the required DOE Service Contract would be disadvantageous to PROSIELCO and may compromise the fairness of this Transaction.</p> <p>Without the DOE Service Contract, there is no assurance as to when a bidder could install and commission the RE plant. This prevents the bidder from making firm commitments, while the Technical Bid Form and Financial Bid Form for this Transaction already require the bidders to commit to set deadlines for COD.</p> <p>It would also distort competition, as</p>

				bidders could include an RE plant in their financial proposals without providing certainty on when the facility would actually become operational.
18.	Financial Simulation Form – Evaluation Model Sheet Column P: Total Forecasted Energy (kWh)  Bidding Procedures – II-12 Financial Proposal Evaluation Table 2, page 46	The Total Forecasted energy for August, September, November and December 2038 in the Financial Simulation Form does not match the Forecasted Monthly Energy Consumption shown in Table 2 on page 46 of the Bidding Procedures.	This is to ensure that the Bidders are properly guided with the Total Forecasted Energy to be used in the evaluation of the Bids.	Noted, please see the corrected Forecasted Monthly Energy Consumption (Table 2)
19.	The connection scheme shall be via cut-in connection at the 13.2kV distribution line of PROSIELCO, with a bypass connection integrated into the cut-in design. The transformer shall have a three-winding configuration. The detailed configuration shall be elaborated in the Transaction Documents.	The three breakers located after the meter will perform a transmission function. Will these be acquired by PROSIELCO? Will PROSIELCO require a separate site access or a dedicated building for the installation of the control and monitoring devices associated with these breakers.	This is for design consideration of the Bidders. Based on prevailing ERC rules and precedent cases, PROSIELCO's preferred cut-in connection might lead to the reclassification of our connection facility into distribution assets.	With respect to the classification of the assets and the determination of whether PROSIELCO shall acquire them, PROSIELCO shall abide by the pertinent ERC resolutions or by the ERC's decision in the Winning Bidder's Point-to-Point Application, if any.
20.	Liquidated damages in case of default shall be in the amount of Ten Thousand Pesos (Php10,000.00) per MW per day that the defaulting Party continues with the default and any fraction thereof, to be paid within thirty (30) Days after written demand for	We kindly clarify if the liquidated damages be drawn from the performance bond?	This is to clarify if liquidated damages is part of drawing events of the performance bond.	To be finalized during PSA negotiations with winning bidder.

	<p>payment. For the avoidance of doubt, the foregoing provision on liquidated damages shall not apply to delays in payment by PROSIELCO.</p>			
21.	<p>“d. Certificate of Incorporation, registration certificate, registration of amended Articles of Incorporation, or an equivalent document acceptable to the BAC, issued by the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA), or the appropriate agency under existing Philippine laws.</p> <p>e. Articles of Incorporation and By-laws or a Memorandum of Association or Partnership duly certified by the concerned authorities, as may be applicable. For a Bidder organized or existing under laws other than Philippine law, the equivalent documents must be submitted, certified true and correct by the Bidder’s authorized representative, and duly authenticated by the Philippine Consulate in the foreign country where the Bidder was established and continues to operate, or apostilled, as applicable.</p>	<p>We kindly suggest to be only required to submit the original and the latest filed amended of the documents identified in Section d and e.</p>	<p>This is to ensure that bidders can comply with all the requirements of the bid.</p>	<p>Submission of the latest version of the corporate documents shall suffice.</p>

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22.	i. Verified certification showing the list of board of directors of the Bidder and members of the Bidder’s ultimate parent company, its subsidiaries and all its affiliates.	1) Is there a preferred template for the verified certification? 2) Should the certification include the list of board of directors of the ultimate parent company, its subsidiaries and affiliates? 3) Should all subsidiaries and affiliates be listed, or only those with technical and/or financial qualifications will be used? 4.) Does "member" pertain to stockholders?	1) The template will ensure consistency, compliance with minimum acceptable terms, and ease of review for the BAC. 2) The parent company of the Bidder is publicly listed as such will not be able to submit a list of all its stockholders considering that a portion of the stockholders are under PDC.	1. No preferred template. 2. and 3. Only those subsidiaries or affiliates whose technical and/or financial qualifications are being presented for compliance need to be listed. 4. “Member” refers to members of the Board of Directors.
23.	n – 1 = net dependable capacity of the largest generating unit	We would like to propose amending the definition as follows:  “n – 1 = <b>installed capacity</b> of the largest generating unit”	To be consistent with the formula, the n-1 should be expressed in installed capacity	Accepted
24.	PlantUse Own = The capacity of the Power Plant allocated for its Own Use, in MW.  For purposes of evaluation, the Own Use shall be 3% of the Installed Capacity	We would like to propose amending the provision as follows:  "PlantUse Own = The capacity of the Power Plant allocated for its Own Use, in MW.	The 3% shall be deducted from the plant installed capacity net of n-1 installed capacity as the n-1 is not operating as a regular unit but rather a spare one.	Accepted.

		For purposes of evaluation, the Own Use shall be 3% of the <b>Plant Installed Capacity net of the N-1 installed capacity"</b>		
25.	PlantLL = the capacity of the Power Plant allocated for the system losses caused by the point-to-point connection line losses, in MW, from the power plant gate until connection point.	We would like to propose amending the definition as follows: "PlantLL = the capacity of the Power Plant, <b>capped at 11MW</b> , allocated for the system losses caused by the point-to-point connection line losses, in MW, from the power plant gate until connection point."	We recommend that the capacity of the power plant considered in the computation of line losses be capped at 11MW as this shall be the maximum dispatch of the power facility at any given period of time. Accepted	Accepted
26.	In case the minimum dependable capacity requirement (as specified in a.1. of the Technical Eligibility requirements) and/or the required years of experience (as specified in a.2. of the Technical Eligibility requirements), the Bidder may submit a Technical Capability Plan (TCP). The TCP must state how the Bidder shall operate and maintain the facilities as well as the experience and technical capability of the person, whether natural or judicial, who will operate and maintain the generating facilities	We recommend amending the provision as follows: "In case the minimum dependable capacity requirement (as specified in a.1. of the Technical Eligibility requirements) and/or the required years of experience (as specified in a.2. of the Technical Eligibility requirements) <b>are not met</b> , the Bidder may submit a Technical Capability Plan (TCP). The TCP must state how the Bidder shall operate and maintain the facilities as well as the experience and technical capability of the person,	The provision appears incomplete, as it does not clearly specify the condition under which the TCP may be submitted. We recommend clarifying the trigger or requirement for submission to avoid ambiguity.	Accepted

		whether natural or judicial, who will operate and maintain the generating facilities"		
27.	At the option of PROSIELCO, from time to time upon and after the implementation of Retail Competition and Open Access ("RCOA"), Green Energy Option Program ("GEOP"), Renewable Portfolio Standard ("RPS"), Net Metering programs, <b>and other similar government programs</b> , BUYER shall deliver to SELLER written notice specifying the reduction in Contract Capacity resulting from the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs, indicating when such reductions shall take place. Any such reduction shall be limited to an amount that will allow Buyer to comply with its obligation to supply electricity in the least cost manner to its captive market.	What are the "other similar government programs" contemplated in the ITB provision?	The clarification shall provide guidance to the bidders in terms of the contemplated similar government programs affecting the Reduction of Contract Capacity.	The reference to 'other similar government programs' pertains to present or future DOE/ERC-mandated initiatives that may affect demand allocation or contracting.
28.	4. The required Bid Security shall be valid for the duration of the bidding process but in no case beyond one hundred eighty (180) calendar days from the deadline for submission and opening of bids. The execution of the PSA shall be made within the Bid Validity Period and <b>Bid Security</b>	We would like to clarify whether the Bid Security Validity Period is the same as the Bid Validity Period.	This is to ensure proper alignment of our submissions with the bidding requirements.	For consistency with the CSP Rules and Guidelines, the BAC requires the Bid Validity to be at least one hundred eighty (180) calendar days, and the Bid Security to be valid for exactly one hundred eighty (180) calendar days from the deadline for

	<b>Validity Period.</b>			submission and opening of bids.
29.	<p>The Bidder must submit proof of its right to use the land where the power plant will be located and installed, which must be situated in either the Municipality of Maria or the Municipality of Enrique Villanueva. The instrument must be any of the following:</p> <p>a. Notarized Deed of Sale;  b. Notarized Lease Contract; or  c. Sworn Undertaking by the Bidder to purchase or lease the subject property, accompanied by a binding commitment from the landowner to sell or lease the property to the Bidder.</p>	<p>An Option Contract binds the seller to provide a prospective buyer, over a specific the exclusive right to exercise an option to purchase the land. May we kindly confirm that an Option Contract is an acceptable document to prove binding commitment from the landowner to sell or lease the property?</p>	<p>This is to ensure that bidders are properly guided with the Bidding Procedures.</p>	<p>Yes, provided that the Bidder executes the Sworn Undertaking required under Item 3c, II-10 of the Bidding Procedures.</p> <p>Please see the revisions to Item 3c, II-10 of the Bidding Procedures</p>
30.	<p>The Performance Bond amount shall be calculated as follows:</p> $\text{Bidder's LCOE} \times \text{GDCn} \times \text{CUF}\%n \times 2190$ <p>Where the <i>GDCn</i> refers to the Guaranteed Dependable Capacity for the applicable calendar year, while <i>CUF%n</i> refers to the percentage utilization of the Guaranteed Dependable Capacity for the preceding calendar year.</p>	<p>We would like to clarify the definition of the <i>GDCn</i>, specifically whether the unit of measurement to be used should be in kW or MW.</p>	<p>This is to ensure that bidders are able to accurately calculate the amount of the performance bond and reflect the correct amount in preparing their bid proposals.</p>	<p>In kW</p>

	1. The Bidder with the LCB shall undergo a Post-Qualification process to verify compliance with all requirements and conditions stipulated in the CSP.	What will the Post-Qualification process entail? Taking into account the urgent power requirements of PROSIELCO, is there a specific timeline which outlines the Post-Qualification process so that the bidding process is not delayed?	This is to ensure our participation aligns with the bidding requirements.	Please see revisions to II-17 of the Bidding Procedures
31.	7. The NEA will review whether the finalized PSA conforms with the Final Terms of Reference for this Transaction. If the NEA finds the finalized PSA to be in order, it shall issue a Notice to Execute the Agreement.	Given the urgent power requirements of PROSIELCO is there a specific period within which NEA is bound to review and approve the PSA?	This is so that the bidders can anticipate the overall project timeline and ensure alignment with PROSIELCO's urgent power requirements.	PROSIELCO shall abide by the periods stated in NEA Memorandum 2023-057
32.	10. The Bidder must offer a Fuel Consumption Rate ("FCR") for its Main Fuel within the range as provided below. The FCR offered by the Bidder shall be binding on it during the implementation of the PSA.	We kindly request to include an acceptable Lube Oil Consumption Rate range.	This is to properly reflect the appropriate Lube Oil Consumption Rates to be used in the financial proposal.	There is no need to indicate a range since Lube Oil is not a main fuel, unlike HFO or LFO.
33.	Annex G 11. Bidder must choose the form of the Bid Security it shall offer to PALECO by placing a cross mark ("x") on the cell beside its chosen Bid Security form. Bidder shall choose only one (1) form of Bid Security. 2. Bidder must encode a "Bid Security Amount" that should be more than or equal to the "Required Bid Security" indicated in	The cell beside the options for the Bid Security form is a protected cell, prohibiting the Bidders to place a cross mark.	This is to ensure that the Bidders can properly fill-out the Financial Simulation Form.	This shall be corrected.

	the Bid Security sheet. Any amount less than the Required Bid Security shall be a cause to disqualify the Bidder.			
34.	Standard Response Form Sheet IV. Proposal CRR-One Time Adjustment Column O – Second indexation to be used	We would like to request the BAC to include another column for an additional foreign indexation under the CRR One-Time Adjustment.	This is to allow flexibility in preparing the Financial Simulation Form in the event that the Bidders plan to offer a proposal involving facilities from multiple foreign suppliers.	Accepted
35.	Evaluation Model Sheet Variable O&M Fee Column AV - VOMF (Php - w/ VAT)	We would like to request the BAC to edit the header of column AV of this provision as follows:  "VOMF (Php - <b>Non VAT</b> )"	The formula for this column is as follows: =AT14*R14 Where: AT14 = Adjusted VOMR (Php/kWh) R14 = Total Renewable Energy (kWh)  The formula indicates that the intention of this column is to show the portion of the VOMF that is attributable to renewable energy, which is Non VAT.	This shall be corrected.
36.	Evaluation Model Sheet Power Cost (Php - w/ VAT) Column BR	We would like to request the BAC to correct the formula in the column BR of the Power Cost (Php - w/ VAT) column.	The current formula is as follows: BR14=X14+Y14+A114+AJ14+AV14+A W14+ <b>BO15</b>	This shall be corrected.

			<p>The following rows under the same column follow the same linking.</p> <p>The last cell in the formula links the incorrect amount. Instead of linking the Fuel Fee (Php - w/ VAT) for the current month, it links the amount <b>for the next month (next row).</b></p>
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37.	I, [name of authorized representative], [position] of [Bidder's Name], (the "Bidder"), am the duly authorized representative of the Bidder pursuant to Secretary's Certificate/Board Resolution No. ____ dated _____, submitted in accordance with the requirements of the Transaction.	We would like to suggest amending the statement as follows: "I, [name of authorized representative], [position] of [Bidder's Name], (the "Bidder"), am the duly authorized representative of the Bidder pursuant to <b>Secretary's Certificate/Board Resolution dated _____</b> , submitted in accordance with the requirements of the Transaction."	This is to clarify if we can edit the template and indicate Secretary's Certificate with date instead.	Accepted
38.	2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this Transaction.	We would like to suggest amending the statement as follows: " 2. I am the authorized representative of	This is to clarify if we can edit the template and indicate Secretary's Certificate with date instead.	Accepted

	Enclosed are (i) a printout of my government-issued identification card and (ii) actual specimen signature (both in longhand and shorthand signatures).	[Bidder's Name] as per <b>Secretary's Certificate dated _____</b> , submitted in accordance with this Transaction. Enclosed are (i) a printout of my government-issued identification card and (ii) actual specimen signature (both in longhand and shorthand signatures)."		
39.	2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this Transaction.	We would like to suggest amending the statement as follows:  "2. I am the authorized representative of [Bidder's Name] as per <b>Secretary's Certificate dated _____</b> , submitted in accordance with this Transaction."	This is to clarify if we can edit the template and indicate Secretary's Certificate with date instead.	Accepted
40.	2. I am the authorized representative of [Bidder's Name] as per Board Resolution No. _____ dated _____, submitted in accordance with this Transaction.	We would like to suggest amending the statement as follows:  "2. I am the authorized representative of [Bidder's Name] as per <b>Secretary's Certificate dated _____</b> , submitted in accordance with this Transaction."	This is to clarify if we can edit the template and indicate Secretary's Certificate with date instead.	Accepted
41.	d. The Bidder, either directly or through an Affiliate, must have or must have had at least one (1) power supply contract with a regulated off-grid offtaker for at least eleven (11) MW of Contract Capacity, with a	May we suggest that any of the signing parties can certify a true copy of the subject contract?	This is to ensure that bidders are able to comply with all the requirements of the bid.	Accepted

	<p>minimum contract term of five (5) years prior to the Bid Submission Date.</p> <p>The Bidder shall submit (i) a notarized certification confirming the foregoing, and (ii) a copy of the relevant power supply contract.</p>			
42.	<p>The metering point and metering installations shall be located and installed within 500 meters from the Connection Point.</p>	<p>May we confirm that PROSIELCO is not intending to extend its lines to connect the power facility of the winning bidder and that the construction of the connection facility will be for the sole account of the bidder?</p>	<p>This is to ensure that all bidders have a uniform understanding of the requirements of the bid.</p>	<p>Confirmed, the construction of the connection facility will be for the sole account of the bidder.</p>
43.	<p>II-12: If any Bidder wishes to use another Findex (aside from US CPI and EU CPI), said Bidder shall immediately inform the BAC within five (5) calendar days after the 1<sup>st</sup> Pre-Bid Conference. Failure to do so constitutes a waiver to offer any other F Index.</p> <p>II-11 item 8 and 9: For evaluation purposes, if the Bidder's Base Price considers foreign currencies, the following values shall be used: 1. USD 2. Euro”</p>	<p>We would like to request to add Japanese Yen, Chinese Yuan and Korean Won to the Findex and forex rates to be used in the financial bid form.</p>	<p>This is to properly reflect currencies to be used by the bidder in the financial bid and allow our base price to be flexible in considering other relevant foreign currencies</p>	<p>Accepted, please see the revised Financial Bid Form.</p> <p>However, even if PROSIELCO permits the use of such index/indices, it will still be subject to ERC's approval on whether or not such foreign FPI and/or forex may be applied.</p>

	Bidder must choose the form of the Bid Security it shall offer to <b>PALECO</b> by placing a cross mark (“x”) on the cell beside its chosen Bid Security form. Bidder shall choose only one (1) form of Bid Security. 2. Bidder must encode a “Bid Security Amount” that should be more than or equal to the “Required Bid Security” indicated in the Bid Security sheet. Any amount less than the Required Bid Security shall be a cause to disqualify the Bidder.	We would like to suggest the following amendment: “Bidder must choose the form of the Bid Security it shall offer to <b>PROSIELCO</b> by placing a cross mark (“x”) on the cell beside its chosen Bid Security form. Bidder shall choose only one (1) form of Bid Security. 2. Bidder must encode a “Bid Security Amount” that should be more than or equal to the “Required Bid Security” indicated in the Bid Security sheet. Any amount less than the Required Bid Security shall be a cause to disqualify the Bidder.”	This is to correct the typo error.	Noted
44.	The BASELCO-BAC may request a reasonable extension of the Bid Validity Period. A Bidder who refuses to extend the validity of its Bid proposal shall be disqualified from participating further in the Transaction.	We would like to suggest the following amendment: "The <b>PROSIELCO</b> -BAC may request a reasonable extension of the Bid Validity Period. A Bidder who refuses to extend the validity of its Bid proposal shall be disqualified from participating further in the Transaction."	This is to correct the typo error.	Noted
45.	The statement of operations show an increasing total comprehensive loss for PROSIELCO.	As part of our due diligence, we would like to get information on what are the events and driver of the loss incurred by	This will aid bidders in the due diligence and risk assessment.	Under-recovery due to DSM rate – Losses partly driven by an outdated DSM rate that does not reflect

		PROSIELCO.		<p>actual costs, resulting in under-recovery.</p> <p>Low sales volume – Reduced electricity sales caused by (i) lower power delivery from PROSIELCO’s NPP and (ii) PROSIELCO’s customer base is currently predominantly residential.</p> <p>Pandemic impact – The COVID-19 pandemic affected tourism and overall economic activity in Siquijor, leading to lower electricity consumption.</p>
46.	In the event of failure by the Winning Supplier to provide the Replacement Power, PROSIELCO shall source Replacement Power at the expense of the Winning Supplier. The Winning Supplier shall shoulder the positive difference between the Replacement Power cost and the <b>approved PSA rate.</b>	We would like to ask for a clarification on whether the reference for "PSA Rate" be the Interim Relief, Provisional Authority, or Final Authority?	This is to clarify whether an adjustment was contemplated considering that rates approved by the ERC might differ in the Interim Relief, Provisional Authority, or Final Authority.	Unless otherwise directed by the ERC, the applicable PSA Rate shall be the rate in effect at the time the Replacement Power is supplied (whether the rate under Interim Relief, Provisional Authority, or the Final ERC-approved rate.)
47.	4. Should the prospective Bidder identify any inconsistency, ambiguity, or omission in the Transaction Documents, or should it require clarification regarding any provision thereof,	We would like to request for clarification if this should be in the form of a written letter or will email clarification suffice?	This is to ensure that bidders are able to comply with all the requirements of the bid.	An email shall suffice.

	<u>it must promptly bring the matter to the attention of the BAC Chairperson in writing in order to obtain the necessary clarification or interpretation.</u>			
48.	7. The BAC shall issue a minutes and summary of the Pre-Bid Conference proceedings and furnish a copy of the same to all prospective Bidders and CSP Observers	May we suggest for PROSIELCO to provide a timeline on when the minutes and summary would be available for reference of the bidders	The timeline will be for the guidance of the bidders.	Summary of the Pre-Bid Conference was already released to the Bidders.
49.	"The Bidder shall seal the Main Envelope, Envelope 1, Envelope 2, <b>and all of its sub-folders</b> "	We would like to request for clarification on how the sub-folders will be sealed.	This is to ensure that bidders are able to comply with all the requirements of the bid.	Sub-folders shall be sealed in any manner that is convenient for the Bidder
50.	11. For documents requiring notarization, wet ink signatures of both the notary and the affiant are mandatory. Electronic signatures affixed through secure electronic platforms may be used only for documents that do not require notarization.	<p>1) We would like to request for a confirmation if the following can be signed electronically:</p> <ul style="list-style-type: none"> <li>- Authorization Letter</li> <li>- Schedule 4 – Bidders Comments Form</li> <li>- Schedule 11 – Certificate of Good Standing</li> <li>- Schedule 13 – Net Financial Contracting Capacity</li> </ul> <p>2) We would like to ask for a clarification if a DocuSign or adobe accepted electronic platforms for affixing electronic signatures?</p> <p>3) We would like to ask what are other</p>	This is to ensure that bidders are able to comply with all the requirements of the bid.	51. to 3. Electronic signatures affixed through any electronic platforms may be used only for documents that do not require notarization.

		acceptable electronic platforms that may be used for electronic signatures?		
51.	<p>10. The Bid Security shall be forfeited:</p> <p>11. The Bid Security shall not be forfeited should the failure or inability of the Winning Bidder to accept the award or enter into a contract with PROSIELCO be caused by force majeure or through no fault of its own.</p> <p>a) If the Bidder withdraws its Bid after Bid opening during the period of Bid validity;</p> <p>b) Refusal, inability, or failure of the Winning Bidder to accept the award or enter into the PSA with PROSIELCO;</p> <p>c) If the Winning Bidder fails to post the required Performance Bond within the prescribed period; and</p> <p>d) In the event that the executed PSA contains terms and conditions which are materially different from the TOR or draft PSA and the difference is solely due to the act or omission of the Winning Bidder;</p> <p>e) Any other reason prescribed by the BAC or pursuant to the prevailing regulations of the ERC or NEA.</p>	<p>We suggest revising the provision as follows:</p> <p>"10. The Bid Security shall be forfeited <b><u>under the following conditions:</u></b></p> <p><b><u>a) If the Bidder withdraws its Bid after Bid opening during the period of Bid validity;</u></b></p> <p><b><u>b) Refusal, inability, or failure of the Winning Bidder to accept the award or enter into the PSA with PROSIELCO;</u></b></p> <p><b><u>c) If the Winning Bidder fails to post the required Performance Bond within the prescribed period; and</u></b></p> <p><b><u>d) In the event that the executed PSA contains terms and conditions which are materially different from the TOR or draft PSA and the difference is solely due to the act or omission of the Winning Bidder;</u></b></p> <p><b><u>e) Any other reason prescribed by the BAC or pursuant to the prevailing regulations</u></b></p>		Noted
			This is to correct the typo error	

		<b>of the ERC or NEA."</b>		
52.	The BAC shall open all bid envelopes and submissions duly submitted by the Bidders in the presence of the prospective Bidders' representatives who choose to attend, on 30 September 2025 at 9:30am at El Pergentina Resort Function Hall in Tinago, Siquijor, Siquijor. If the Bid Opening and/or Evaluation is not concluded by 30 September 2025, The BAC shall continue the opening and evaluation of Bids on <del>31</del> <b>September 2025</b> at 9:00 AM.	We would like to suggest to revise the statement as follows:  "The BAC shall open all bid envelopes and submissions duly submitted by the Bidders in the presence of the prospective Bidders' representatives who choose to attend, on 30 September 2025 at 9:30am at El Pergentina Resort Function Hall in Tinago, Siquijor, Siquijor. If the Bid Opening and/or Evaluation is not concluded by 30 September 2025, the BAC shall continue the opening and evaluation of Bids on <b>1 October 2025</b> at 9:00 AM."	This is to correct the typo error.	Noted
53.	The BAC reserves the right to add to, modify, supplement or change the Transaction Documents, including the Schedules, at any time, for any reason whatsoever, with due notice to the Bidders.	We would like to request a revision to this provision as follows:  ""The BAC reserves the right to add to, modify, supplement or change the Transaction Documents, including the Schedules, at any time, for any reason whatsoever, <b>through an issuance of Supplemental Bid Bulletin, which shall be made available to all prospective</b>	This is to make the provision consistent with Bidding Procedures which states: <i>The PROSIELCO BAC reserves the right to amend, revise, modify, or clarify, in whole or in part, any of the Transaction Documents at any time. Any such amendments, revisions, modifications, or clarifications shall be issued through Supplemental Bid Bulletins ("SBB"),</i>	Noted

		<b>bidders"</b>	<i>which shall be made available to all prospective Bidders.</i>	
54.		We would like to request the BAC to update the nominal system voltage in the evaluation of P2P current carrying capacity.	This is to ensure that the bid requirements are properly reflected in the simulation form.	13800 V
55.		We kindly request the BAC to add more conductor sizes in the dropdown list.	This is to ensure that technical proposals are properly reflected in the simulation form.	Please see the revised Technical Bid Form
56.		We kindly request the BAC to confirm that AMDE is not a bid requirement and must not be an evaluation criterion.	This is to ensure that the bid requirements are properly reflected in the simulation form.	Yes, AMDE is not a requirement; the Technical Bid Form will be revised accordingly.
57.	3. Capital Recovery Fee ("CRF") The CRR shall be subject to a one-time adjustment based on the relevant indices at time of Delivery Date as provided in the PSA.	We would like to request the BAC to show a formula of the CRR one-time adjustment in II-11 Financial Proposal and Schedule 4 of the Draft PSA, consistent with the formula shown in Schedule 18 Financial Simulation Form.	This is to ensure that the Bidders are properly guided in preparing their Financial Proposal.	Noted
58.	7. If the Bidder's proposal for this Transaction involves mechanical generating unit/s, such unit/s must comply with the following requirements: a. The generating unit/s must not have accumulated more than 8,760 running hours.	We would like to clarify whether the BAC would still require a <b>sworn Certification attesting that the generating unit/s proposed for this Transaction have not accumulated more than 8,760 running hours including the major repairs</b> , if the bidder plans to use rental units which will	This is to ensure that the bidders are properly guided with the requirements of the Technical Proposal.	For rental units, the Bidder shall submit a sworn certification from its prospective lessor confirming that:  1. All units to be leased to the Bidder are in good operating condition; 2. PROSIELCO may, upon

b. The generating unit/s must not have undergone any major repair or major maintenance work.

c. The power plant shall be capable of black starting. The generating units must be dispatchable within thirty (30) minutes from the approval of PROSIELCO.

#### BIDDER SUBMISSION

The Bidder shall submit a sworn Certification attesting that the generating unit/s proposed for this Transaction:

- **Have not accumulated more than 8,760 running hours.**
- For existing units: Attach photographs of the hour meter of each generating unit/s, clearly showing the accumulated running hours.
- For brand new units: Attach Original Equipment Manufacturer certification confirming that the generating unit/s is brand new and has not accumulated any running hours.
- Have not undergone any major repairs or major maintenance work.

be deployed for an interim period in order to meet the January 1, 2026 delivery date.

reasonable notice, require the Winning Bidder to conduct performance tests at any time to verify that the rental units can deliver their declared GDC;

3. PROSIELCO shall have the right to require replacement of any rental unit found defective, failing performance tests, or unable to provide the declared GDC; and

4. The most recent PMS or CMS report on the rental units, if any, shall be submitted.

Also, the rental units may be used for a maximum of 2 years, which shall be reflected in the Technical Bid Form and Financial Bid Form.

	<p>O For existing units: Attach Repair and maintenance history/logs indicating that no major repairs or major maintenance work have been undertaken on the unit/s.</p> <p>o For brand new units: Attach Original Equipment Manufacturer certification confirming that no major repairs or major maintenance work have been undertaken on the unit/s.</p> <ul style="list-style-type: none"> <li>• Are capable of black start and can become dispatchable within thirty (30) minutes from PROSIELCO’s instruction.</li> </ul> <p>O Attach a brief explanation on the black start capability of the power plant.</p> <p>If the Original Equipment Manufacturer is a foreign entity, a certification issued by (i) its Philippine branch, (ii) its authorized distributor, (iii) its authorized agent, or (iv) its authorized officer shall suffice.</p>			
59.	Schedule 9 – Undertaking to Assume Liability	We would like to request the BAC to include a signature portion in the template, indicating the details of the signatory.	This will help ensure clarity on accountability and proper documentation, as well as provide a clear reference to the authorized signatory.	For Bidders intending to form a SPC, an <i>Undertaking</i> that its SPC shall comply with the ownership requirements under this provision shall suffice.

60.	<p>Schedule 6 – Omnibus Certification</p> <p>Take note of these "Enclosed are (i) a printout of my government-issued identification card and (ii) actual specimen signature (both in longhand and shorthand signatures).</p> <p><b>Further, enclosed hereto are (i) the printouts of the identification cards and (ii) actual specimen signatures (both in longhand and shorthand signatures) of [Bidder's name]'s authorized representatives as indicated in the Verified Expression of Interest."</b></p>	<p>We would like to clarify if <b>only those Authorized Representatives who will sign the bid documents are required</b> to submit (i) the printouts of the identification cards and (ii) actual specimen signatures (both in longhand and shorthand signatures); or all of the authorized representatives indicated in the Expression of Interest should submit as well?</p>	<p>This is to ensure full compliance with the submission requirements and avoid any deficiencies in the filing of bidders.</p>	<p>Kindly submit the for all of the authorized representatives indicated in the Expression of Interest</p>
61.	<p>II-12 Financial Proposal Evaluation, item 14, Table 2 Forecasted Monthly Energy Consumption and Schedule 18</p>	<p>We would like to clarify if the forecasted monthly generation consumption in Table 2, as well as the total forecast in column Q of the Evaluation Model sheet under Schedule 18, refers to the total forecast for the whole Siquijor Island Grid, and not only for the 5–11 MW capacity?</p>	<p>This is to ensure that the correct forecast is considered in our financial evaluation</p>	<p>Please see the revised Table 2, containing the revised Forecasted Monthly Energy</p>
62.	<p><u>1-04. Subject of the Bid Proposal</u> Target Delivery Date</p>	<p>Proposed Amendment: Target Delivery Date will be no later than twelve (12) months from the actual date</p>	<p>In relation to the timeline provisions stated in the Invitation to Bid, we respectfully request that</p>	<p>The Delivery Date as provided in the TOR shall be retained.</p>

	<p>The Winning Bidder shall commence delivery on the later of the following dates:</p> <ul style="list-style-type: none"> <li>• 01 January 2026; or</li> <li>• The 26th day of the calendar month immediately following the month in which the Energy Regulatory Commission (“ERC”) issues a Provisional Authority or Interim Relief, as applicable, or Final Authority, if neither Provisional Authority nor Interim Relief was issued, and the fulfilment of other conditions precedent stated on the PSA.</li> </ul>	<p>of receipt of ERC approval whether Provisional Authority, Interim Relief, or Final Authority, as applicable.</p>	<p>the Target Delivery Date should reflect the practical and regulatory realities of project development. Specifically, construction cannot commence without prior issuance of ERC approval, which is a critical condition precedent for achieving financial close and project mobilization and which should be in line with similar provisions in supply contracts used by electric cooperatives and NPC.</p> <p>Initiating construction prior to ERC approval is not even allowed or accepted by ERC and pose significant regulatory, financial, and operational risks. Permitting processes, interconnection arrangements, and contract compliance depend on the final terms of the ERC authority. Given the uncertainty in ERC issuance timelines, a fixed calendar-based delivery schedule as the currently stated “26th day of the calendar month following ERC approval” is impractical and unworkable in practice. Your tender requirements</p>	<p>PROSIELCO urgently needs to replace and/or supplement its current EPSA, and would not be able to accommodate delays in Delivery Date.</p>
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			are probably assuming that the winner of the bid is a party that can quickly deploy diesel generators at lowest cost to address the current crisis and who is willing to take a risk on ERC's decision. That is certainly not a sure solution and definitely not a sustainable and stable solution for the current power crisis on the island. The proposed revision ensures realistic, bankable, and compliant implementation aligned with financing and permitting requirements.	
63.	<p><u>1-04. Subject of the Bid Proposal Preferred Plant Location</u></p> <p>The power plant shall be located in either the Municipality of Maria or the Municipality of Enrique Villanueva, at the option of the Bidder.</p>	<p>Inquiry: May Bidders propose an alternative location if it offers better technical, economic, or logistical viability?</p>	<p>The proposed renewable energy technology will require specific land requirements to ensure its optimal performance. Alternative locations would allow us to find the best location for technical, economic and logistical viability.</p>	<p>No</p> <p>Reliability, voltage stability, and power quality considerations necessitate locating the plant within the municipalities of Maria or Enrique Villanueva.</p>
64.	<p><u>II-08 Submission of Eligibility Requirements &amp; Bid Proposals</u> The BAC Secretariat shall not accept a Bid submitted by any Bidder that: ...</p>	<p>Inquiry: Are the bidders required to present a certification / letter indicating they are not blacklisted or barred from participating in bidding activities? Is this</p>	<p>Clarification for bid proposal document requirements.</p>	<p>Please execute Schedule 5 of the Bidding Procedures</p>

	<ul style="list-style-type: none"> <li>Is currently blacklisted or barred from participating in bidding activities by the Energy Regulatory Commission (ERC) and/or PROSIELCO;</li> </ul>	required for each bidder in the consortium?		Each member of the consortium should execute Schedule 5
65.	<p><u>II-09 Eligibility Requirements</u></p> <p>Legal Eligibility Requirements</p> <p>Bidders shall submit the following Legal Eligibility Requirements:</p> <p>c. Duly executed SCHEDULE 1 (Verified Expression of Interest), SCHEDULE 2 (Confidentiality Undertaking and Consent Form for Data Privacy), SCHEDULE 3 (Certification on Acceptance of Final Transaction Documents) and SCHEDULE 5 (Omnibus Sworn Certification)</p>	<p>Inquiry:</p> <p>These documents were also submitted during the submission of the Expression of Interest. Are these to be re-executed for the purposes of the bid submission?</p>	Clarification for bid proposal document requirements.	Bidders need not re-execute Schedules 1 and 2, and need only to re-submit CTCs or photocopies of the same as part of their bid submission.
66.	<p><u>II-09 Eligibility Requirements</u></p> <p>Legal Eligibility Requirements</p> <p>m. The Bidder, its Affiliate or Affiliates (if the Bidder shall use the technical and/or financial qualifications of said Affiliate or Affiliates), or all members of the Joint Venture, Consortium, or Partnership (for Bidders participating as such) must secure and submit a Certificate of Good Standing</p>	<p>Inquiry:</p> <p>Would the requirement to submit a Certificate of Good Standing from regulated off-takers still apply to us, considering that our contracts are QTP/MGSP Service Contracts rather than PSAs? If applicable, should we request such Certificates of Good Standing from NAPOCOR and PALECO, even though they are counterparties under QTP/MGSP arrangements rather than PSA off-takers?</p>	The Maharlika Consortium has active involvement in the operation of microgrid systems. For microgrids, the regulatory process differs from that of conventional power generators. In particular, the DU/EC waives its franchise area and, instead of a PSA, a QTP/MGSP Service Contract is executed with the NPC.	<p>Bidders shall submit Certificates of Good Standing from their counterparts in QTP/MGSP arrangements.</p> <p>Please see Schedule 11.a.</p>

	from PROSIELCO and from each of their respective current regulated offtakers, whether electric cooperatives or private distribution utilities.	Since the TOR also specifies that bidders shall not revise the Schedule Templates (including Schedule 11 for the Certificate of Good Standing), how should we properly comply if the template is tailored only for PSA offtaker arrangements?		
67.	<p><u>II-09 Eligibility Requirements</u></p> <p>Technical Eligibility Requirements</p> <p>In case the minimum dependable capacity requirement (as specified in a.1. of the Technical Eligibility requirements) and/or the required years of experience (as specified in a.2. of the Technical Eligibility requirements), the Bidder may submit a Technical Capability Plan (TCP). The TCP must state how the Bidder shall operate and maintain the facilities as well as the experience and technical capability of the person, whether natural or judicial, who will operate and maintain the generating facilities.</p>	<p>Inquiry:</p> <p>If a Bidder does not meet both the minimum dependable capacity requirement and the required years of experience, will the submission of a Technical Capability Plan (TCP) alone be considered sufficient to satisfy the Technical Eligibility Requirements?</p>	Clarification on eligibility.	In case the minimum dependable capacity requirement (as specified in a.1. of the Technical Eligibility requirements) and/or the required years of experience (as specified in a.2. of the Technical Eligibility requirements) are not met, the Bidder may submit a Technical Capability Plan (TCP).
68.	<u>II-09 Eligibility Requirements</u>	Clarification:	Clarification on eligibility.	The Bidder shall submit (i) a notarized certification confirming

	<p>Technical Eligibility Requirements</p> <p>The Bidder, either directly or through an Affiliate, must have or must have had at least one (1) power supply contract with a regulated off-grid offtaker for at least eleven (11) MW of Contract Capacity, with a minimum contract term of five (5) years prior to the Bid Submission Date.</p>	<p>Please confirm that if the Bidder intends to use its affiliate company to fulfil the five (5) years track record requirement, the only required submission is an Affidavit of Affiliation, and that no additional corporate or financial documents from the affiliate company will be necessary.</p>		<p>the foregoing, and (ii) a copy of the relevant power supply contract</p>
69.	<p><u>II-09 Eligibility Requirements</u></p> <p>Technical Eligibility Requirements: Bidder Submission</p> <p>To comply with this requirement, the Bidder shall submit either: The technical manual from its existing or prospective Original Equipment Manufacturer, confirming that the proposed power plant is capable of operating at a minimum of 70% Capacity Factor; or</p> <p>A certification from its existing or prospective Original Equipment Manufacturer or EPC contractor confirming that the proposed power plant</p>	<p>Clarification: For this requirement, if the bidder proposes a technology mix that includes Solar PV, BESS, Wind and DG, the capacity factor certification or technical manual shall be provided based on the DG (Diesel Generator) component. Please confirm.</p>	Clarification on eligibility.	<b>Confirmed</b>

	can operate at a minimum of 70% Capacity Factor. If the Original Equipment Manufacturer or EPC contractor is a foreign entity, a certification issued by (i) its Philippine branch, (ii) its authorized distributor, (iii) its authorized agent, or (iv) its authorized officer shall suffice.			
70.	<p>II-09 Eligibility Requirements</p> <p>Financial Eligibility Requirements</p> <p>Submit convincing proof of commitment of its available credit lines to finance the debt portion of the project as stated in the Bidder's equity and financing plan. Said proof may be in the form of a Letter of Credit, Bank Guaranty or Committed Line of Credit, or any proof of firm commitments from a reputable financial institution to provide credit lines.</p>	<p>Clarification:</p> <p>In the event that the Bidder incorporates a new Special Purpose Vehicle (SPV) for the project, Will the submission of a Treasurer's Affidavit from the consortium members, attesting to their commitment to provide the paid-up capital, be sufficient to satisfy the proof of equity contribution requirement? If not, kindly specify what additional documents would be required from a newly incorporated SPV.</p>	<p>The clarification is in reference to the requirement on equity and financing plan, we would like to seek clarification on the required documents in the event that the Bidder incorporates a new Special Purpose Vehicle (SPV) for the project.</p>	<p>If the Bidder is a consortium, an undertaking of the members thereof to infuse the required equity contribution to the consortium. See Schedule 15 of the Bidding Procedures.</p>
71.		<p>Clarification:</p> <p>Similar to previous CSPs, USPs, and in line with the DOE IRR that allowed a Letter of Guaranty from Bidders, we propose that a corporate Letter of Guaranty/Commitment be accepted in lieu of a pre-bid bank approved loan or credit line.</p>	<p>At this stage, securing such financing is generally not feasible, as local and foreign institutions typically only issue facilities after full project evaluation and ERC approval, which takes 9–12 months.</p> <p>A corporate Letter of Guaranty / Commitment from the Bidder</p>	<p>In accordance with the ERC 2023 CSP Guidelines, a corporate Letter of Guaranty/Commitment in lieu of a pre-bid bank approved loan or credit line shall NOT be accepted.</p>

			provides immediate and realistic assurance of funding capability, while directly holding the Bidder liable and responsible for financing the project.	
72.	<u>II-10 Technical Proposal and Evaluation</u> If the Bidder shall offer more than one (1) power plant technology, Bidder shall label them as Power Plant 1 and Power Plant 2. A Bidder may offer up to two (2) power plant technologies (For example, a hybrid of bunker-diesel, or a combination of solar and diesel/bunker technologies.)	Proposed Amendment: We propose that the bidders be allowed to submit more than two (2) power plant technologies in their Technical Proposal.	A multi-technology approach is designed to optimize renewable generation (multiple RE sources), reduce diesel consumption, lower UCME subsidies, and deliver a reliable, resilient, and cost-efficient power supply. Restricting submissions to only 2 technologies limits innovation and excludes proven integrated renewable energy models.	Accepted. Bidders may offer up to four (4) plant technologies.
73.	<u>II-10 Technical Proposal and Evaluation</u> For Bidders offering a Renewable Energy power plant, Bidder shall submit a copy of the pertinent Renewable Energy Service Contract.	Clarification: We propose to submit a Notarized Letter of Commitment to Secure the RESC, confirming our commitment to comply with this requirement and to obtain the RESC once the project is awarded. This approach is aligned with previous CSPs, such as the MSC, where an undertaking was accepted in lieu of an RESC at the bid stage.	Since our proposal involves the development of a new Renewable Energy power plant and we have not yet been awarded the tender, we will be unable to provide a copy of the Renewable Energy Service Contract (RESC) at the time of bid submission.	For Bidders offering a Renewable Energy (RE) power plant, Bidder shall submit a copy of the pertinent Renewable Energy Service Contract.  Allowing bidders to offer a RE power plant without the required DOE Service Contract would not be favorable to PROSIELCO and may compromise the fairness of this Transaction.

				<p>Without the DOE Service Contract, there is no assurance as to when a bidder could install and commission the RE plant. Please note that the Technical Bid Form and Financial Bid Form for this Transaction already require the bidders to commit to set deadlines for COD of their respective offers.</p> <p>It would also distort competition, as bidders could include an RE plant in their financial proposals without providing certainty on when the RE plant would actually become operational.</p>
74.	<p><u>II-10 Technical Proposal and Evaluation</u></p> <p>Further, the Bidder must show its compliance with the ownership requirements as provided in the 1987 Philippine Constitution in connection with Republic Act No. 9513, the DOE Department Circular No. 2022-110034, and the DOJ Opinion No. 21, Series of 2022.</p>	<p>Inquiry:</p> <p>The bidding documents require compliance with the ownership requirements under the 1987 Philippine Constitution, RA 9513, DOE Department Circular No. 2022-11-0034, and DOJ Opinion No. 21 (2022). Could you please clarify what specific ownership documents are required to be submitted (e.g., SEC Articles of Incorporation, General Information Sheet, Affidavit of Undertaking, or other forms)?</p>	<p>Clarification on Technical Proposal and Evaluation.</p>	<p>SEC Articles of Incorporation and the General Information Sheet shall suffice.</p>

75.		<p>Inquiry: In the event that the Bidder intends to incorporate a new Special Purpose Vehicle (SPV) for the project, how should compliance with the ownership requirements be demonstrated?</p> <p>As the Bidder intend to incorporates a new SPV for the project, we propose to submit an Affidavit of Undertaking confirming compliance with the ownership requirements, until such time that the SPV is formally incorporated and the relevant documents can be provided.</p>	Clarification on Technical Proposal and Evaluation.	
76.	<p><u>II-10 Technical Proposal and Evaluation</u></p> <p>A legal opinion from a third-party and independent lawyer or law firm (i.e., neither the Bidder’s inhouse counsel nor a retained counsel) showing compliance with the ownership requirements as provided in the 1987 Philippine Constitution in connection with Republic Act No. 9513, the DOE Department Circular No. 2022- 11-0034, and the DOJ Opinion No. 21, Series of 2022. shall suffice but the Bidder’s submission shall be further evaluated by the BAC during the post-qualification process.</p>	<p>Inquiry: In the event that the Bidder intends to incorporate a new Special Purpose Vehicle (SPV) for the project, how should compliance with the ownership requirements be demonstrated?</p> <p>Kindly confirm if documentary commitments from the parent company/consortium members would suffice until such time that the SPV is formally incorporated.</p>	Clarification on Technical Proposal and Evaluation.	

		Please also clarify what specific ownership documents are required from a foreign company that is part of the consortium.		
77.	<p><u>II-10 Technical Proposal and Evaluation</u></p> <p>The Bidder must submit proof of its right to use the land where the power plant will be located and installed, which must be situated in either the Municipality of Maria or the Municipality of Enrique Villanueva. The instrument must be any of the following:</p> <p>a. Notarized Deed of Sale;</p> <p>b. Notarized Lease Contract; or</p> <p>c. Sworn Undertaking by the Bidder to purchase or lease the subject property, accompanied by a binding commitment from the landowner to sell or lease the property to the Bidder.</p>	<p>Clarification:</p> <p>We request clarification on whether an Affidavit of Undertaking from the Bidder, confirming commitment to secure the land upon award, would be acceptable in lieu of the specified documents at the time of bid submission.</p> <p>Alternatively, please confirm if a Letter of Intent (LOI) to purchase or lease the land, duly signed with the potential landowner, will be considered sufficient to meet the land documentation requirement.</p>	<p>Given that this is a new tender with a short bid submission window, and considering that the Bidder has not yet been awarded the project, it may not be feasible to secure a viable land arrangement at this stage.</p>	<p>What must be submitted is a Sworn Undertaking by the Bidder to purchase or lease a parcel of land for its plant site, accompanied by a binding commitment from the landowner to sell or lease to the Bidder the indicative lot or property to be used as the plant site.</p> <p>Affidavit of Undertaking from the Bidder, confirming commitment to secure the land upon award shall NOT be accepted.</p> <p>The LOI, coupled with the Sworn Undertaking, shall be accepted if the tenor of the instrument reflects a binding commitment from the landowner to sell or lease to the Bidder the indicative lot or property to be used as the plant site.</p>

78.	<u>II-10 Technical Proposal and Evaluation</u>  To this end, the Bidder shall submit the geographic coordinates (in degrees) of both the Connection Point and the Revenue Meter Point, along with the measured distance between the two (2) points, which must not exceed 500 meters.	Inquiry: What if the available land is more than 500m away from the connection point? Will it still be acceptable?	Should there be no land suitable for renewable energy system within the 500m distance specified.	Yes but the distance between the metering point and connection point shall not exceed 500m
79.	<u>II-10 Technical Proposal and Evaluation</u>  8. The Bidder shall accomplish the Technical Simulation Form (see SCHEDULE 17) to determine if the Bidder's offered capacities conform to the requirements of this Transaction. Instructions on filling out the Technical Simulation Form is attached as ANNEX F.	Inquiry: The provided Schedule 17 does not include an option for bidders proposing a technology that combines Solar PV, Battery, Wind and DG. Could you please clarify the instructions on how this should be filled out in such cases?	Schedule 17 does not include an option for Renewable Energy systems	Schedule 17 allows bidders to propose multiple technologies (up to 4 technologies) and blend them as per desired mix.
80.	<u>II-10 Technical Proposal and Evaluation</u>  For brand new units: Attach Original Equipment Manufacturer certification confirming that the generating unit/s is brand new and has not accumulated any running hours.	Proposed Amendment: Propose that this requirement be amended to allow the Bidder to submit a sworn commitment/undertaking attesting that the equipment to be used is brand new and has not accumulated any running hours, in lieu of requiring OEM certification.	Clarification on Technical Proposal and Evaluation.	A Bidder's sworn commitment /undertaking attesting that the equipment to be used is brand new and has not accumulated any running hours shall NOT be accepted.  What must be submitted is the Original Equipment Manufacturer certification confirming that the generating unit/s is brand new and

				has not accumulated any running hours
81.	<u>II-10 Technical Proposal and Evaluation</u>  The Plant Credited Capacity shall be calculated as follows: ... Plant Own Use = The capacity of the Power Plant allocated for its Own Use, in MW. For purposes of evaluation, the Own Use shall be 3% of the Installed Capacity	Clarification: This 3% own use capacity is assumed to be continuous for 24-hour operation and based on the installed dependable capacity, for purposes of energy modelling. Please confirm.	Clarification on Technical Proposal and Evaluation.	Confirmed.
82.	<u>II-10 Technical Proposal and Evaluation</u>  The Autonomy Hour for Solar with Storage shall be calculated as follows:  <i>Autonomy Hour = Storage Capacity, in MWh / Rated Capacity, in MW</i>	Clarification: We presume that the denominator for the autonomy hours indicated in MW refers to the capacity of the battery inverter/PCS. Please confirm	Clarification on Technical Proposal and Evaluation.	No, the denominator refers to the rated capacity (not MWac) of the solar power plant, not the rated capacity of the battery.
83.	<u>II-10 Technical Proposal and Evaluation</u>  The Storage Capacity shall be the product of the Expected Load of the Solar PV power plant and the Autonomy Hour.	Inquiry: If the Bidder is considering a combined technology with BESS, PV, and DG, do we still need to follow this methodology to size the storage capacity, given that	Since our proposal involves the development of a new Renewable Energy power plant, the provided methodology would otherwise result in an excessively large battery capacity, which does not	For Intermittent RE technologies, if a storage system is applied, the power plant must be capable of supplying the expected electrical output during the affected period from RE for at least 24 hours to be

		dependable capacity can already be provided using the DG?	cater to optimum use of dependable and intermittent assets in a hybrid energy system.	<p>eligible for Capacity Credit. Thus, for Intermittent RE with Storage technologies, the Autonomy Hour shall be fixed at a minimum of 24hours. The Storage Capacity shall be the product of the Expected Load of the Solar PV power plant and the Autonomy Hour. The Bidder shall be bound to install the Total installed Solar PV, in MW” and “Storage Capacity” based on the Expected Load it encoded on the Technical Evaluation Form.</p> <p>Bidder may install a combined BESS, PV, and Diesel Plant even without following the formula for autonomy hour. However, the capacities for the BESS and Solar PV (or other intermittent RE technologies) shall be zero (0).</p>
84.	<p><u>II-13 Bid Security</u></p> <p>The Bidder shall submit a Bid Security equivalent to three (3) – month contract cost of the proposed power supply agreement computed using the bid price offered.</p>	<p>Proposed Amendment: We therefore propose that this requirement be amended to a Bid Securing Declaration, similar to other CSPs, in lieu of a monetary bid security. Through a Bid Securing Declaration, the Bidder commits not to withdraw its bid during the validity period and, if awarded, to accept and sign the</p>	<p>Requiring a monetary bid security equivalent to three (3) months’ contract cost is not feasible, as it imposes a significant upfront financial burden at the bidding stage, before project award or financing arrangements are in place. It is also not effective as a deterrent, since it unnecessarily</p>	<p>Not acceptable. A Bid Security in compliance with the ERC 2023 CSP Guidelines shall be required. A monetary bid security shall be required.</p>

		contract; otherwise, the Bidder will be subject to disqualification and penalties.	ties up capital that could otherwise be allocated to project development activities.	No other form of security shall be allowed.
85.	<p><u>11-20 Performance Bond</u></p> <p>Within ten (10) calendar days from the execution of the finalized PSA, the Winning Bidder shall post a Performance Bond equivalent to three (3) - month contract cost of the proposed power supply agreement computed using the bid price offered.</p>	<p>Proposed Amendment:</p> <p>We propose the removal of this requirement.</p>	<p>Similar to the Microgrid Service Contract (MGSP) framework, a separate Performance Bond is not required, as the PSA already contains penalty mechanisms and protection clauses sufficient to safeguard PROSIELCO's interests. Requiring a Performance Bond only adds unnecessary financing burden, diverting capital that would be better used for timely project execution and ensuring reliable service delivery.</p>	<p>Not acceptable. A Performance Bond in compliance with the ERC 2023 CSP Guidelines shall be required.</p>
86.	<p>As of Bid Submission Date, the Bidder or its Affiliate must have:</p> <p>87. 2. A power plant with a dependable capacity of at least eleven (11) MW located in off-grid areas in the Philippines; and</p> <p>A track record of at least five (5) years of experience in operating, maintaining, and/or administering power plants in off-grid areas in the Philippines, regardless of the technology of the power plant.</p>	<p>As of Bid Submission Date, the Bidder or its Affiliate must have <b><u>or had over the past five (5) years:</u></b></p> <p>87. 2. A power plant with a dependable capacity of at least eleven (11) MW located in off-grid areas in the Philippines; and</p> <p>A track record of at least five (5) years of experience in operating, maintaining, and/or administering power plants in off-grid areas in the Philippines,</p>	<p>This is to allow flexibility, on the side of the Bidder, on the technical requirements since the technical know-how, expertise, and experience acquired over the years of owning and operating a power plant of at least eleven (11) MW located in off-grid areas in the Philippines is still very much present.</p>	<p>Not acceptable.</p> <p>In case the minimum dependable capacity requirement (as specified in a.1. of the Technical Eligibility requirements) and/or the required years of experience (as specified in a.2. of the Technical Eligibility requirements), the Bidder may submit a Technical Capability Plan (TCP). The TCP must state how the</p>

		regardless of the technology of the power plant.		Bidder shall operate and maintain the facilities as well as the experience and technical capability of the person, whether natural or judicial, who will operate and maintain the generating facilities.
87.	Economic, Social, and Environmental Effects of the power plant;	Are we required to submit the Environmental Impact Study or simply a narrative of the same?	Submitting an Environmental Impact Study would require time that may not reach the September 30, 2025 deadline.	An Environmental Impact Study shall not be required to be submitted.
88.	Schedule 9 – Undertaking to Assume Liability	We would like to request the BAC to include a signature portion in the template, indicating the details of the signatory.	This will help ensure clarity on accountability and proper documentation, as well as provide a clear reference to the authorized signatory.	

Draft PSA

<u>No.</u>	<u>Provision</u>	<u>Comment and/or Suggested Amendment</u>	<u>Explanation for the Comment or Suggested Amendment</u>	<u>PROSIELCO BAC Comment/Response</u>
89.	Reference to Seller and Buyer	We would like to suggest to replace Seller to SUPPLIER and Buyer to OFFTAKER	This is to be clear on the relationship of the parties in relation to the supply of the GDC.	We shall keep the terminologies, subject to finalization during the negotiation phase.
90.	Section and Schedule Numbering	We recommend adjusting the numbering accordingly once PSA negotiation is finalized.	Section Nos. and Schedule Nos. to be finalized upon PSA negotiation.	Noted.
91.	<p>WHEREAS:                      Seller owns and operates, or plans to design, finance, construct, own, operate and maintain, whichever is applicable, a [gross capacity of the Facility] megawatts (MW) [Description of the Facility] located at [Location of the Facility]; and</p> <p>Seller desires to sell to Buyer, and Buyer desires to purchase from the Seller, the energy and/or capacity pursuant to the terms and conditions set forth herein, consistent with the Terms of Reference of the relevant Competitive Selection Process (TOR-CSP) conducted by Buyer or the rules governing exemptions from the CSP, as the</p>	<p>We suggest to revise the provision as follows:                      “WHEREAS:  <u><b>OFFTAKER is an electric cooperative existing under the laws of the Republic of the Philippines, specifically under Presidential Decree No. 269 and duly registered with the National Electrification Administration (NEA) under Registration Number 113, with principal office address located at Barangay Nonoc, Larena, Province of Siquijor. It is a holder of a Certificate of Franchise issued by the National</b></u></p>	<p>The propo”ed revision narrates the conduct of the CSP in accordance to the relevant rules and regulations</p>	<p>We shall keep the current “whereas” clauses, subject to finalization during the negotiation phase.</p>

	<p>case may be.</p>	<p><u>Electrification Commission to operate as an electric distribution utility servicing its member-consumers within the Province of Siquijor.</u></p> <p><u>Pursuant to Section 5.4 of the DOE 2023 CSP Policy, OFFTAKER BAC conducted the Competitive Selection Process (“CSP”) for the procurement of power supply for the Siquijor Island Grid following OFFTAKER’s 2024 PSPP for the Province of Siquijor.</u></p> <p><u>As a result of the CSP conducted by OFFTAKER, SUPPLIER was selected to provide a contracted Guaranteed Dependable Capacity of 11 MW subject to the terms and conditions of this Agreement.</u></p> <p><u>The Parties desire then to enter into this Agreement to define their respective rights and obligations regarding the supply of electricity to OFFTAKER by SUPPLIER.”</u></p>		
92.	1.2.3 terms not herein defined shall have the meanings as provided for in pertinent ERC	We suggest to revise the provision as follows:	ERC was spelled out in the proposed revision.	Noted.

	rules and regulations and Department of Energy (DOE) circulars;	"1.2.3 terms not herein defined shall have the meanings as provided for in pertinent <b>Energy Regulatory Commission</b> (ERC) rules and regulations and Department of Energy (DOE) circulars;"		
93.	1.2.10 Any ambiguity in the contract is to be construed in favor of the objectives of the Republic Act No. 9136 or its implementing rules, regulations or circulars issued by the Department of Energy (DOE) or Energy Regulatory Commission (ERC), as the case may be.	We suggest to revise the provision as follows: "1.2.10 Any ambiguity in the contract is to be construed in favor of the objectives of the Republic Act No. 9136 or its implementing rules, regulations or circulars issued by the Department of Energy (DOE), Energy Regulatory Commission (ERC) or <b>National Electrification Administration (NEA)</b> , as the case may be".	Deleted the spelled-out name of DOE and ERC as the short names was already defined in Section 1.2.3	Noted
94.	Subject to and in accordance with the terms of this Agreement, Seller shall make available and sell to Buyer, and Buyer shall purchase from the Seller for the consideration described in Section 5, the Guaranteed Dependable Capacity from and after the Delivery Date until the expiry of the Term.	We suggest to revise the provision as follows: Subject to and in accordance with the terms of this Agreement, <b>SUPPLIER</b> Seller shall make available and sell to <b>OFFTAKER</b> Buyer, and <b>OFFTAKER</b> Buyer shall purchase from the <b>SUPPLIER</b> Seller for the consideration	This is to align with the requirements stated in the terms of reference.	Noted, subject to finalization during the negotiation phase

		described in Section <del>6</del> 5, the Guaranteed Dependable Capacity in <b>accordance with Schedule 5 or up to a maximum of 11MW Guaranteed Dependable Capacity, whichever is higher</b> , from and after the Delivery Date until the expiry of the Term.	
95.	<p>3.1 Contract Term</p> <p>This Agreement shall take effect immediately from Effective Date, and from such date, shall remain in force and effect for Fifteen (15) years from the delivery date, unless sooner terminated in accordance with this Agreement and upon approval by the ERC.</p>	<p>We suggest to add the following provision:</p> <p>“3.1 This Agreement shall take effect immediately from Effective Date, and from such date, shall remain in force and effect for Fifteen (15) years from the delivery date, unless sooner terminated in accordance with this Agreement and upon approval by the ERC.</p> <p><b><u>If SUPPLIER shall supply an alternative power supply to OFFTAKER pursuant to Section [•] hereof, the Term of this Agreement shall commence on the day the SUPPLIER provides the alternative power supply to OFFTAKER. The Parties shall execute a certification indicating the Delivery Date, which certification shall be the reckoning point of the</u></b></p>	<p>This is to ensure that both parties have an option to be able to deliver and receive power in cases wherein the declaration of delivery date using the supplier’s own facility is delayed.</p> <p>The BAC is amenable to including provisions on Alternative Power Supply arrangements proposed by the prospective Bidder.</p> <p>However, the final terms, stipulations, and/or provisions shall be determined and finalized during the negotiation phase.</p>

		<b><u>fifteen (15) year Contract Term of this Agreement.</u></b>		
96.	<p>3.2 Effective Date</p> <p>The Parties' rights and obligations under this Agreement shall commence on Effective Date, which shall be the date upon which all of the following conditions are satisfied:</p> <p>a) Corporate Approvals. The receipt of the Seller of a certificate executed by the corporate or partnership secretary, as applicable, or a resolution duly and validly issued by the board of directors of Buyer, attesting to the fact that the board of directors of Buyer has adopted resolutions (i) authorizing Buyer to execute and to enter into and deliver this Agreement and perform all its obligation hereunder, and (ii) designating the person authorized to execute this Agreement on behalf of the Buyer; and</p> <p>b) Government Authorizations. All governmental authorizations (except ERC) which are required to have been obtained in</p>	<p>We suggest to revise the provision as follows:</p> <p>3.2 Effective Date</p> <p><b><u>Except for the obligation to deliver the Guaranteed Dependable Capacity, t</u></b> The Parties' rights and obligations under this Agreement shall commence on Effective Date, which shall be the date upon which all of the following conditions are satisfied:</p> <p>a) Corporate Approvals. The receipt of the <del>SUPPLIER</del><del>Seller</del> of a certificate executed by the corporate or partnership secretary, as applicable, or a resolution duly and validly issued by the board of directors of <del>OFFTAKER</del><del>Buyer</del>, attesting to the fact that the board of directors of <del>OFFTAKER</del><del>Buyer</del> has adopted resolutions (i) authorizing <del>OFFTAKER</del><del>Buyer</del> to execute and to enter into and deliver this Agreement and perform all its obligation hereunder, and (ii) designating the person authorized to execute this</p>	<p>Added conditions for the Effective Date to clarify that the Corporate Approvals are applicable to both parties and enumerated the Government Authorizations needed.</p> <p>"Days" is a defined term which includes "calendar days"</p>	<p>Partly accepted. Please see revisions to Section 3.2</p>

connection with the execution, delivery and commencement of performance of this Agreement, shall have been obtained and be in full force and effect.

Within Twenty-One (21) calendar Days after the satisfaction of the conditions referred to in this Section, each Party shall send a written notice to the other Party confirming satisfaction of such conditions and indicating the Effective Date.

Agreement on behalf of the **OFFTAKER** Buyer;

**The receipt of OFFTAKER of a Board Resolution or Secretary's Certificate duly and validly issued by the Corporate Secretary of the SUPPLIER, attesting to the fact that the Board of Directors of SUPPLIER has adopted resolutions (i) authorizing SUPPLIER to execute and to enter into and deliver this Agreement and perform all its obligation hereunder, and (ii) designating the person authorized to execute this Agreement on behalf of the SUPPLIER; and**

b) Government Authorizations. All governmental authorizations (except ERC) which are required to have been obtained in connection with the execution, delivery and commencement of performance of this Agreement, shall have been obtained and be in full force and effect.

**Government Authorizations refer to the following permits or licenses:**

		<p><b><u>i. Securities and Exchange Commission Certificate of Registration, Articles of Incorporation and By-laws of the SUPPLIER and the Certificate of Registration with the Cooperative Development Authority of the OFFTAKER.</u></b></p> <p><b><u>ii. Department of Environment and Natural Resources (DENR) Environmental Compliance Certificate for the relevant unit of the Power Station, as agreed between the Parties.</u></b></p> <p><b><u>iii. Valid Certificate of Franchise covering the Siquijor Island Grid.</u></b></p> <p>Within <del>Twenty One (21)</del> <b>five (5)</b> calendar Days after the satisfaction of the conditions referred to in this Section, each Party shall send a written notice to the other Party confirming satisfaction of such conditions and indicating the Effective Date.</p>		
97.	<p>Delivery Date</p> <p>The Seller shall commence delivery of Contract Capacity to Buyer on Delivery Date.</p> <p>The Delivery Date shall be a date, after Effective Date, reckoned from January 01,</p>	<p>We suggest to revise the provision as follows:</p> <p>“3.3 Delivery Date</p>	<p>Proposed revisions clarify the conditions to the Delivery Date. It likewise makes it clear that the Supplier is not precluded from billing the difference of the SAGR</p>	<p>Accepted</p>

<p>2026 or date of issuance by the ERC of a Provisional Authority or Interim Relief, as applicable, or Final Authority, if neither Provisional Authority or Interim Relief was issued, whichever comes later. For the implementation of this Agreement as well as the fulfillment of the following conditions, unless waived in writing by the Parties (except for ERC's PA, IR, or FA which shall not be waived):</p> <p>a. Achievement of Effective Date;</p> <p>b. The ERC Certificate of Compliance ("COC") or Provisional Authority to Operate ("PAO") issued for the generation units of the Power Plant, as defined in SCHEDULE 3;</p> <p>d. The SUPPLIER's filing of the Point-to-Point Application ("P2P Application") with the ERC. The SUPPLIER shall endeavor to file the P2P Application within thirty (30) days from signing of this Agreement.</p> <p>5 of 31</p> <p>d. Execution of the Subsidy Agreement with NPC-SPUG; and</p> <p>e. Execution of the Connection Agreement.</p>	<p>The <del>SUPPLIER</del><sup>Seller</sup> shall commence delivery of Contract Capacity to <del>OFFTAKER</del><sup>Buyer</sup> on Delivery Date. The Delivery Date shall be a date, after Effective Date, reckoned from January 01, 2026 or date of issuance by the ERC of a Provisional Authority <u>(PA)</u> or Interim Relief <u>(IR)</u>, as applicable, <del>or Final Authority (FA)</del>, if neither <del>PA</del><sup>Provisional Authority</sup> or <del>IR</del><sup>Interim Relief</sup> was issued, a <u>Final Authority (FA)</u>, whichever comes later,. For the implementation of this Agreement. <u>In addition</u>, <del>as well as the fulfillment of the following conditions</del> <b>must be fulfilled</b>, unless waived in writing by the Parties, (except for ERC's PA, IR, or FA, which shall not be <u>subject to</u> waiver):</p> <p>a. Achievement of Effective Date;</p> <p>b. The ERC Certificate of Compliance ("COC") or Provisional Authority to Operate ("PAO") issued for the generation units of the Power Plant, as defined in SCHEDULE 3;</p> <p>c. The SUPPLIER's filing of the Point-to-Point Application ("P2P Application")</p>	<p>and TCGR to the NPC for the corresponding subsidy.</p>
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	<p>If the Parties waive any condition for Delivery Date, the SUPPLIER shall charge only the SAGR and not the TCGR.</p>	<p>with the ERC. The SUPPLIER shall endeavor to file the P2P Application within thirty (30) days from signing of this Agreement.</p> <p>D. Execution of the Subsidy Agreement with NPC-SPUG; and</p> <p>e. Execution of the Connection Agreement.</p> <p>If the Parties waive any condition for Delivery Date, the SUPPLIER shall charge only the SAGR <u>to the OFFTAKER</u>, and not the TCGR; <b><u>provided, that the SUPPLIER shall not be precluded from billing the difference to the NPC for the corresponding subsidy.</u></b></p>		
98.	<p>No Current Provision</p>	<p>We suggest to add the following provisions:</p> <p><b><u>"3.4. Failure to Achieve Delivery Date. In the event that the Delivery Date is not achieved, the following provisions shall apply, depending on the reason therefor:</u></b></p> <p><b><u>a. Delay in Delivery Date due to Force Majeure. If the delay shall be due to an Event of Force Majeure affecting both</u></b></p>	<p>The proposed insertion covers the scenario wherein there is failure to achieve delivery date. This will provide proper guidance to the parties on their rights and obligations in this scenario.</p>	<p>The BAC is amenable to including provisions to address any failure to achieve the delivery date proposed by the prospective Bidder. However, the final terms, stipulations, and/or provisions shall be determined and finalized during the negotiation phase.</p>

Parties, then the Delivery Date shall be the day immediately after the Force Majeure has been resolved, subject to the compliance with the procedure set out in Section [•] by the Party invoking Force Majeure.

b. SUPPLIER Delay. Notwithstanding Section [•] of this Agreement, if the ERC issues a PA or IR, whichever comes first, for the implementation of this Agreement but still SUPPLIER fails to commence supply to OFFTAKER, SUPPLIER shall arrange an alternative power supply for OFFTAKER for a maximum period of twelve (12) months. By the end of the twelve (12)-month period, SUPPLIER must ensure that the Power Station that it committed to construct shall be installed and commissioned and that all the conditions stated in Section [•] of this Agreement are complied with. Accordingly, the SUPPLIER shall commence the alternative power supply on the 26th day of the month following the ERC's issuance of a PA or IR, whichever comes

first. This date shall be considered as the Deemed Delivery Date.

If, for any reason, the period of delay exceeds twelve (12) months, OFFTAKER shall have the right to terminate the Agreement and the Performance Bond shall be forfeited. For the avoidance of doubt, SUPPLIER shall be responsible for the provision of alternative power supply for the deficient capacity at the generation rate equivalent to the approved rate for this Agreement or the actual rate of the alternative power supply, whichever is lower. The difference between said rates shall not be passed on to OFFTAKER.

To compute the cost of the alternative power supply for any Billing Period, SUPPLIER shall attach the computation of the following in its monthly Invoice:

- 1) The TCGR based on the approved tariff for this Agreement. For this purpose, (i) the Capital Recovery Fee and Fixed O&M Fee shall be calculated using the Guaranteed Dependable Capacity under

this Agreement regardless of the actual utilization of the power plant providing the alternative power supply, and (ii) Variable O&M Fee shall be calculated using the actual Energy Delivered. Further, the Fuel Price shall be the average fuel price for the same technology as billed to OFFTAKER from its existing suppliers for the past three (3) months; and

2) The actual generation rate of the alternative power supply.

SUPPLIER shall be allowed to recover the lower of the two (2) rates, provided that the Subsidy Fee shall be paid only if the rate is greater than the SAGR.

c. OFFTAKER Delay. If delay is due to OFFTAKER's fault and such delay does not exceed one hundred eighty (180) Days, and the Power Station would otherwise have been ready for testing as SUPPLIER had issued the Notice of Testing, SUPPLIER may issue a written notice to the OFFTAKER declaring that the Delivery Date has commenced. The

		<p><u>date on which the OFFTAKER receives the written notice shall be considered the Deemed Delivery Date.</u></p> <p><u>d. Extended Delay. Except as provided in Section [ • ], in the event of any delay of more than one hundred eighty (180) Days from Effective Date, the Parties shall meet and consult each other regarding the terms by which this Agreement may continue. If the Parties fail to reach an agreement within thirty (30) Days from commencement of consultations, the non-delaying or non-defaulting Party may exercise its right to terminate this Agreement pursuant to the provisions of Section [ • ]."</u></p>		
99.	No Current Provision	<p>We suggest to add the following provisions:</p> <p><b><u>“4. PERFORMANCE BOND</u></b></p> <p><b><u>4.1 The Performance Bond amount shall be [in words] pesos (PhPXXX.XX), which shall be effective until the expiration of the Term. The SUPPLIER shall post the Performance Bond within ten (10) Days</u></b></p>	The proposed provision to be inserted covers the Performance Bond matters in accordance to the Bidding Documents.	Accepted.

from the execution of this Agreement. The Performance Bond shall be returned to SUPPLIER after the end of the Term unless sooner terminated for causes provided herein.

4.2 The Performance Bond shall be issued in favor of OFFTAKER and must be in Philippine Peso in the form of:

a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument;

b. Bank draft/ guarantee or irrevocable/standby letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank; or

c. Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.

		<p><u>In case the Performance Bond is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Performance Bond shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.</u></p> <p><u>4.3 A Performance Bond that will require periodic renewal must be renewed not later than fifteen (15) Days before its expiry. Otherwise, SUPPLIER shall pay Liquidated Damages in the amount of 1% of 1% of the Performance Bond amount for every Day of delay.</u></p> <p><u>4.4. Within thirty (30) Days after OFFTAKER has notified the SUPPLIER in writing that it has drawn on the Performance Bond, the SUPPLIER shall provide such additional security or securities as may be sufficient in order to restore the Performance Bond to its full amount.”</u></p>		
100.	No Current Provision	We suggest to add the following	The proposed provision to be	Accepted

provisions:

**"5. TESTING AND COMMISSIONING**

**5.1 The Parties shall develop the test procedures (the "Test Protocols") during the start-up and commissioning of the SUPPLIER's Power Station and initial synchronization with OFFTAKER's distribution system. The agreed Test Protocols shall be provided by the SUPPLIER to the OFFTAKER at least ten (10) Days prior to scheduled testing. The Commissioning Fees shall be provided in Formula 5 of Schedule [•] of this Agreement.**

**5.2 Any change to the Test Protocols shall be by mutual written agreement between the Parties. At least five (5) Days prior to the scheduled testing, the SUPPLIER shall notify the OFFTAKER in writing of the scheduled tests (Notice of Tests). The OFFTAKER may send representatives to witness the testing, subject to written notice to the SUPPLIER."**

inserted covers the Testing and Commissioning of the Power Station. This will provide guidance to the parties on the procedures for the conduct of the testing and commissioning.

	<p>4.1 Seller's and Buyer's Obligations</p> <p>Beginning on the Delivery Date, until the termination or expiration of this Agreement, Seller shall supply and deliver [Contract Capacity and/or Contract Energy as detailed in Schedule 5] to Buyer at the Delivery Point, and the Buyer shall purchase and pay Seller the [Contract Capacity</p>	<p>We suggest to revise the provision as follows:</p> <p><del>6.4.1</del> <b>SUPPLIER's and OFFTAKER's</b> Obligations</p> <p>Beginning on the Delivery Date, until the termination or expiration of this Agreement, SUPPLIER shall supply and deliver <u>the Guaranteed Dependable Capacity as</u><del>[Contract Capacity and/or Contract Energy as</del> [detailed in Schedule 5] to to <del>OFFTAKER</del> Buyer at the Delivery Point, and the <del>OFFTAKER</del> Buyer shall purchase and pay <del>SUPPLIER</del> Seller the <u>Guaranteed Dependable Capacity as provided in Schedule 5</u><del>[Contract Capacity and/or Contract Energy]</del> at the rate of [ ], resulting from the CSP and subject to the approval of the ERC.</p>	<p>Proposed revisions are to align the provision to the terms and conditions of the Bid.</p>	<p>Please see the revised provision.</p>
<p>101.</p>	<p>No Current Provision</p>	<p>We suggest to add the following provision:</p> <p><u>"6.2. Delivery Point. The Delivery Point shall be the point/s specified in</u></p>	<p>The additional provision states the details of the Delivery Point.</p>	<p>Partly accepted. Please see Section 6.2</p>

		<p><b><u>SCHEDULE [•]. The metering system to be provided by the SUPPLIER shall be installed at the Connection Point equipped with the metering equipment specified in the Philippine Small Grid Guidelines (PSGG)."</u></b></p>		
102.	<p>4.2 Nomination and Dispatch Protocol</p> <p>Buyer shall furnish Seller with its hourly nomination of demand on a daily, weekly, and monthly basis in accordance with the procedure set out as follows:</p> <p>4.2.1 For administrative and planning purposes only, Buyer shall furnish Seller with non-binding year-ahead, month-ahead and week-ahead nominations of Contract Capacity in accordance with the Rules and the Operating Procedures.</p> <p>4.2.2 Such nominations shall reflect Buyer's good faith estimate of its projected capacity requirements for such period. Buyer shall furnish Seller with the year-ahead nominations, the month ahead nominations, and the week ahead nomination</p>	<p>We suggest to revise the provision as follows:</p> <p><b><u>"6.3 Nomination and Dispatch Protocol</u></b></p> <p><b><u>OFFTAKER shall furnish SUPPLIER with its capacity nomination on a daily and weekly basis in accordance with the Philippine Small Grid Dispatch Protocol."</u></b></p> <p><del>Buyer shall furnish Seller with its hourly nomination of demand on a daily, weekly, and monthly basis in accordance with the procedure set out as follows:</del></p> <p><del>4.2.1 For administrative and planning purposes only, Buyer shall furnish Seller with non-binding year-ahead, month-ahead and week-ahead nominations of Contract Capacity in accordance with the Rules and the Operating Procedures.</del></p>	<p>To ensure provision is consistent with existing guidelines in the Philippine Small Grid Dispatch Protocol.</p>	<p>Accepted.</p> <p>The Winning Bidder and PROSIELCO shall conduct Billing Coordination Meetings as well as Nomination and Dispatch Coordination Meetings prior to Delivery Date to discuss implementation arrangements.</p>

		<p><del>4.2.2 Such nominations shall reflect Buyer's good faith estimate of its projected capacity requirements for such period. Buyer shall furnish Seller with the year-ahead nominations, the month-ahead nominations, and the week-ahead nomination</del></p>		
103.	<p>4.3 Reduction of Contract Capacity</p> <p>xxx</p> <p>The Parties shall agree on and prepare the protocol to implement the reduction in the amount of Contract Capacity, with observance of existing rules and regulations, as a result of the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs. The Parties shall submit a copy of the protocol to the ERC.</p>	<p>We suggest to revise the provision as follows:</p> <p>“6.4 Reduction of Contract Capacity</p> <p>xxx</p> <p><b><u>To implement the reduction in the amount of the Guaranteed Dependable Capacity, with observance of existing rules and regulations, as a result of the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs, the Parties shall adhere to Schedule 8 of this Agreement. The Parties shall submit a copy of Schedule 8 to the ERC.</u></b></p>	<p>The proposed provisions are protocols on how to implement the reduction of the GDC should already be agreed upon by the parties upon signing of the Agreement. This will ensure that there is no ambiguity between the parties once there is a reduction in contract capacity.</p>	Accepted

		<p>The Parties shall agree on and prepare the protocol to implement the reduction in the amount of Contract Capacity, with observance of existing rules and regulations, as a result of the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs. The Parties shall submit a copy of the protocol to the ERC.”</p>		
104.	<p>4.4 Outage Allowance</p> <p>4.4.1 At least [ ] Days prior to the Scheduled Commercial Operations Date, the Seller shall submit to Buyer its desired Scheduled Outage periods for the remainder of the Year in which the Scheduled Commercial Operations Date occurs. Thereafter, by [DATE] of each Year after the Year in which the Scheduled Commercial Operation Date occurs, the Seller shall submit to Buyer its desired schedule of Scheduled Outage periods for the following Year. The outage periods shall be subject to the requirements under DOE guidelines and ERC rules and regulations.</p>	<p>We would like to propose to remove the original provision and be replaced by the following provision:</p> <p><b><u>"6.6 Scheduled Outages</u></b></p> <p><b><u>6.6.1. Within five (5) Days after the Delivery Date, the SUPPLIER shall submit to the OFFTAKER its Scheduled Outage Periods, if any, for the remainder of the year in which the Delivery Date occurs.</u></b></p> <p><b><u>6.6.2. In the years following the Delivery Date, the SUPPLIER shall submit its Scheduled Outage Periods to the OFFTAKER no later than the 30th of September of current year the outage</u></b></p>	<p>This is to provide clearer guidelines in the implementation and availability of outage allowance.</p>	<p>Accepted</p>

schedule for the following year for the Connection Facilities, common facilities and each generating unit. These Scheduled Outage Periods will be regularly reviewed by the SUPPLIER, and the OFFTAKER shall be notified again in accordance with ERC Resolution No. 4 Series of 2015 (A Resolution Adopting the Procedure in Reporting by Generation Companies of Outage Events Affecting Their Generating Facilities).

6.6.3. Within fifteen (15) Days from receipt of the Scheduled Outage Periods for the remainder of the Year (in which the Delivery Date occurs) and within sixty (60) Days from receipt of the Scheduled Outage Periods for the subsequent Years, the OFFTAKER must send a written notification to the SUPPLIER indicating whether the requested Scheduled Outage Periods are acceptable or not. If the OFFTAKER fails to provide such notice within the periods stated herein, the Scheduled Outages shall be deemed approved.

If OFFTAKER cannot accept any of the requested Scheduled Outage periods, OFFTAKER shall advise the SUPPLIER of a period when OFFTAKER determines such unacceptable Scheduled Outage period can be rescheduled. Such rescheduled period shall be as close as reasonably practicable to the requested period. The OFFTAKER shall not request the rescheduling of a Scheduled Outage to a date later than thirty (30) Days from the original proposed schedule. Such rescheduled period shall be of equal duration as the requested period. The SUPPLIER shall conduct Scheduled Outages only during periods agreed to in writing by OFFTAKER as aforesaid.

6.6.4. Within Fifteen (15) days prior to the Scheduled Outage periods, OFFTAKER may require the SUPPLIER to reschedule a Scheduled Outage; provided, however, that OFFTAKER shall not request that such Scheduled Outage be rescheduled to a date later than thirty (30) days from the original proposed schedule. Such rescheduled period shall be of equal

		<b>duration as the requested period."</b>		
105.	<p>4.4 Outage Allowance</p> <p>xxx</p> <p>4.4.2. No Outage allowance for Generating Units since Contracted Capacity is Guaranteed Dependable Capacity (DC). There shall be Scheduled and Unscheduled Outage Allowance of 48 Hours/yr, allocated for PMS of connection facilities. No plant-level planned outage and Preventive Maintenance Schedule ("PMS") during the peak months of April, May, and December of any given year.</p> <p>Any outage categorized under "Outside Management Control" as defined by ERC under Resolution No. 9 Series of 2022 (A Resolution Adopting the Rules and Procedures to Govern the Monitoring of Reliability Performance of Small Grid Generating Units), shall not be considered as outages caused by the Supplier.</p>	<p>We suggest to revise the provision as follows:</p> <p>64.54 Outage Allowance</p> <p><del>654.54.1 At least [ ] Days prior to the Scheduled Commercial Operations Date, the SUPPLIER Seller shall submit to OFFTAKER Buyer its desired Scheduled Outage periods for the remainder of the Year in which the Scheduled Commercial Operations Date occurs. Thereafter, by [DATE] of each Year after the Year in which the Scheduled Commercial Operation Date occurs, the SUPPLIER Seller shall submit to OFFTAKER Buyer its desired schedule of Scheduled Outage periods for the following Year. The outage periods shall be subject to the requirements under DOE guidelines and ERC rules and regulations.</del></p> <p><b>64.54.12 The SUPPLIER shall not be allowed any</b> No Outage allowance for its Generating Units <b>and shall make</b></p>	<p>To make the applicability of the outage allowance consistent with the TOR.</p> <p>Accepted</p>	Accepted

**available the** since Contracted Capacity is Guaranteed Dependable Capacity **for the duration of the Contract Term**(DC).

There shall be Scheduled and Unscheduled Outage Allowance of **forty-eight**~~48 Hours of~~**(48) hours per Year for all other equipment (e.g., connection equipment and common facilities) except for the generating units.**~~./yr,~~ allocated for PMS of connection facilities.

No plant-level planned outage and Preventive Maintenance Schedule (“PMS”) during the peak months of April, May, and December of any given year.

Any outage categorized under “Outside Management Control” as defined by ERC under Resolution No. 9 Series of 2022 (A Resolution Adopting the Rules and Procedures to Govern the Monitoring of Reliability Performance of Small Grid Generating Units) **or the prevailing ERC Resolution at the time of the occurrence of the Unscheduled Outage**, shall not be considered as outages caused by the

		<b>SUPPLIER, thus not chargeable to the SUPPLIER's Outage Allowance</b> supplier.		
106.	4.4.3. BUYER may upon five (5) days prior written notice, require the SELLER to reschedule a Scheduled Outage; provided, however, that BUYER shall not request that such Scheduled Outage be rescheduled in a manner or time outside the Minimum Functional specifications.	We would like to suggest removing this provision.	This is already covered by our proposed provision on Scheduled Outages	For finalization of during the negotiation phase.
107.	4.4.4 BUYER shall use its reasonable endeavors to coordinate its maintenance program for the Interconnection Facilities with the approved Scheduled Outages so as to minimize any disruption to the operation of the Facility.	We suggest to revise the provision as follows:  6.4.54.34 <del>OFFTAKER</del> shall use its reasonable endeavors to coordinate its maintenance program for the <del>Interconnection Facilities</del> with the approved Scheduled Outages so as to minimize any disruption to the operation of the <b>Power Station</b> Facility.	For consistent use of the defined terms OFFTAKER and Power Station.	To be finalized during negotiation phase
108.	No Current Provision	We would like to suggest an additional provision as follows:  <b>6.6 Scheduled Outages</b>  <b>6.6.1. Within five (5) Days after the</b>	To provide clearer guidelines in the implementation and availability of outage allowance.	For finalization of during the negotiation phase.

Delivery Date, the SUPPLIER shall submit to the OFFTAKER its Scheduled Outage Periods, if any, for the remainder of the year in which the Delivery Date occurs.

6.6.2. In the years following the Delivery Date, the SUPPLIER shall submit its Scheduled Outage Periods to the OFFTAKER no later than the 30<sup>th</sup> of September of current year the outage schedule for the following year for the Connection Facilities, common facilities and each generating unit. These Scheduled Outage Periods will be regularly reviewed by the SUPPLIER, and the OFFTAKER shall be notified again in accordance with ERC Resolution No. 4 Series of 2015 (A Resolution Adopting the Procedure in Reporting by Generation Companies of Outage Events Affecting Their Generating Facilities).

6.6.3. Within fifteen (15) Days from receipt of the Scheduled Outage Periods for the remainder of the Year (in which the Delivery Date occurs) and within sixty (60) Days from receipt of the

Scheduled Outage Periods for the subsequent Years, the OFFTAKER must send a written notification to the SUPPLIER indicating whether the requested Scheduled Outage Periods are acceptable or not. If the OFFTAKER fails to provide such notice within the periods stated herein, the Scheduled Outages shall be deemed approved.

If OFFTAKER cannot accept any of the requested Scheduled Outage periods, OFFTAKER shall advise the SUPPLIER of a period when OFFTAKER determines such unacceptable Scheduled Outage period can be rescheduled. Such rescheduled period shall be as close as reasonably practicable to the requested period. The OFFTAKER shall not request the rescheduling of a Scheduled Outage to a date later than thirty (30) Days from the original proposed schedule. Such rescheduled period shall be of equal duration as the requested period. The SUPPLIER shall conduct Scheduled Outages only during periods agreed to in writing by OFFTAKER as aforesaid.

6.6.4. Within Fifteen (15) days prior to the Scheduled Outage periods, OFFTAKER may require the SUPPLIER to reschedule a Scheduled Outage; provided, however, that OFFTAKER shall not request that such Scheduled Outage be rescheduled to a date later than thirty (30) days from the original proposed schedule. Such rescheduled period shall be of equal duration as the requested period.

#### 6.7 Unscheduled Outages

The SUPPLIER shall inform the OFFTAKER of the occurrence, nature, and expected duration of Unscheduled Outages as soon as practicable after such occurrence using the most expeditious means, including but not limited to text messages, calls through landlines or mobile cellular phones, with the details to follow by written notice in accordance with ERC Resolution No. 4 Series of 2015 (A Resolution Adopting the Procedure in Reporting by Generation Companies of Outage Events Affecting Their

		<b>Generating Facilities).”</b>		
109.	<p>4.5 Replacement Power</p> <p>4.5.2 Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, the Buyer shall be allowed to source the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower.</p> <p>xxx</p>	<p>We suggest to revise the provision as follows:</p> <p><del>6.4.75.2</del> Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the <del>SUPPLIER</del><b>Seller</b>. In the event of failure by the <del>SUPPLIER</del><b>Seller</b> to provide the <del>Guaranteed Dependable Capacity</del><b>Contract Capacity and/or Contract Energy</b>, the <del>OFFTAKER</del><b>Buyer</b> shall be allowed to source the Replacement Power at the expense of the <del>SUPPLIER</del><b>Seller</b>. Provided further, that the rates to be charged for the procurement of Replacement Power shall be: a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower.</p> <p>The <del>SUPPLIER</del><b>Seller</b> shall <b>likewise</b> provide replacement power under the following conditions:</p> <p><del>1. If the total outage per calendar year exceeds the allowable Outage Allowance;</del></p>	<p>We propose to remove item (1) in this provision as this is already covered by the first paragraph of this Section.</p> <p>We likewise propose to remove item (2) as this should be covered by the alternative power instead of replacement power. Please refer to the proposed alternative power supply provisions which outlines in detail how the parties will ensure that there is still power supply during instances of delay in the delivery date declaration.</p> <p>“or alternative power supply” for item 2</p>	Partly accepted. Please see the revised provision.

~~2. If the Winning Supplier fails to deliver the GDC by Delivery Date due to its own fault or negligence;~~

3. If, at any time after the Delivery Date, the Winning SUPPLIER~~Supplier~~ fails to deliver the GDC due to its own fault or negligence, subject to ~~the Winning SUPPLIER'S~~~~Supplier's~~ Outage Allowance;  
~~and~~

4. If the ~~Winning SUPPLIER~~~~Supplier~~**SUPPLIER** ~~performs~~~~schedules~~ a plant-level outage during the peak months of April, May, or December, even if the outage remains within the allowable Outage Allowance.

**To compute the cost of the Replacement Power for any Billing Period, SUPPLIER shall attach the computation of the following in its monthly Invoice:**

**The TCGR based on the approved tariff for this Agreement. For this purpose, (i) the Capital Recovery Fee and Fixed O&M Fee shall be calculated using the Guaranteed Dependable Capacity under this Agreement regardless of the actual**

		<p><u>utilization of the Power Station providing the replacement power, and (ii) Variable O&amp;M Fee shall be calculated using the actual Energy Delivered. Further, the Fuel Price shall be the average fuel price for the same technology as billed to OFFTAKER from its existing suppliers for the past three (3) months; and</u></p> <p><u>The actual generation rate of the Replacement Power.</u></p> <p><u>SUPPLIER shall be allowed to recover the lower of the two (2) rates, provided that the Subsidy Fee shall be paid only if the rate is greater than the SAGR.</u></p>		
110.	<p>4.5 Replacement Power</p> <p>4.5.2 Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, the Buyer</p>	<p>We would like to request an additional paragraph for the below provision.</p> <p><u>In the event of failure by the SUPPLIER to provide the Replacement Power, OFFTAKER shall source Replacement Power at the expense of the .The shall shoulder the positive difference between the Replacement Power cost</u></p>	<p>This is to ensure that the offtaker and supplier are provided with complete guidance on the implementation, recovery and billing in case of a replacement power scenario.</p>	<p>Accepted</p>

shall be allowed to source the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be

- a) the actual price of the Replacement Power; or
- b) the approved charge for the PSA, whichever is lower.

**and the approved PSA rate.**

**To compute the cost of the Replacement Power for any Billing Period, SUPPLIER shall attach the computation of the following in its monthly Invoice:**

**The TCGR based on the approved tariff for this Agreement. For this purpose, (i) the Capital Recovery Fee and Fixed O&M Fee shall be calculated using the Guaranteed Dependable Capacity under this Agreement regardless of the actual utilization of the Power Station providing the replacement power, and (ii) Variable O&M Fee shall be calculated using the actual Energy Delivered. Further, the Fuel Price shall be the average fuel price for the same technology as billed to OFFTAKER from its existing suppliers for the past three (3) months; and**

**The actual generation rate of the Replacement Power.**

**SUPPLIER shall be allowed to recover the**

		<u>lower of the two (2) rates, provided that the Subsidy Fee shall be paid only if the rate is greater than the SAGR.</u>		
111.	<p>5.1 Payment of Fees</p> <p>xxx</p> <p>Further, Buyer shall bear all costs of such transmission service, from the Delivery Point up to the Receiving Point including the cost of any electric losses incurred in such transmission. Provided further that, 1) there should be no offsetting of payment between the Buyer and Seller; 2) withholding of disputed amounts, except for the inadvertent mistake in the amount; 3) If an invoice is not disputed within 30 Days after payment, it is deemed to be accepted, final, and binding to the Buyer and Seller.</p> <p>xxx</p> <p>Payments. Each SELLER Invoice shall be due and payable not later than thirty (30) Days from receipt of the SELLER Invoice by the</p>	<p>We suggest to revise the provision as follows:</p> <p>5.1 Payment of Fees</p> <p>xxx</p> <p>Further, Buyer shall bear all costs of such transmission service, from the Delivery Point up to the Receiving Point including the cost of any electric losses incurred in such transmission. Provided further that, 1) there should be no offsetting of payment between the Buyer and Seller; 2) withholding of disputed amounts, except for the inadvertent mistake in the amount; 3) If an invoice is not disputed within 30 Days after payment, it is deemed to be accepted, final, and binding to the Buyer and Seller.</p> <p>xxx</p>	<p>The paragraph on <i>payments</i> is a duplicate of the first paragraph in this section.</p>	<p>Noted.</p>

	<p>BUYER (“Due Date”). If the last day of the Due Date falls on a Saturday, Sunday, legal/regular holiday or special holiday declared by the applicable local government unit where a Party holds principal office, then payment shall be made on the immediately succeeding Working Day.</p>	<p><del>Payments. Each SELLER Invoice shall be due and payable not later than thirty (30) Days from receipt of the SELLER Invoice by the BUYER (“Due Date”). If the last day of the Due Date falls on a Saturday, Sunday, legal/regular holiday or special holiday declared by the applicable local government unit where a Party holds principal office, then payment shall be made on the immediately succeeding Working Day.</del></p>		
112.	<p>No Current Provision</p>	<p>We suggest to add the provision as follows:</p> <p><b><u>“7.2 Billing to OFFTAKER.</u></b>  <b><u>Within five (5) Days from the end of each Billing Period commencing on Delivery Date, the SUPPLIER shall deliver to the OFFTAKER the SUPPLIER Invoice setting forth the amount out of the Total Fee that is due from the OFFTAKER for the preceding Billing Period.</u></b></p> <p><b><u>The Parties shall make the necessary adjustments, if necessary, for the SUPPLIER Invoice covering the first and</u></b></p>	<p>This is to provide guidance to the parties on the billing periods required for each billing statement.</p>	<p>Partly accepted</p>

		<p><b><u>last Billing Periods.</u></b></p> <p><b><u>7.3 Billing to NPC-SPUG</u></b></p> <p><b><u>Following SCHEDULE 4, if SFT&gt; 0, within five (5) Days from the end of each Billing Period during the Term, the SUPPLIER shall deliver to NPC SPUG a Subsidy Invoice for the amount of Subsidy Fee.</u></b></p> <p><b><u>7.4 Manner of Payment</u></b></p> <p><b><u>All sums indicated in the SUPPLIER Invoice shall be paid by the OFFTAKER in Philippine Pesos, through a bank check or bank transfer to a nominated bank of SUPPLIER.”</u></b></p>		
113.	<p>5.3 Prompt Payment Discount</p> <p>The Seller shall extend <del>Three</del> percent (3%) discount based on the nonfuel fee (sum of Capital Recovery Fee, Fixed O&amp;M Fee and Variable O&amp;M Fee, if applicable) to Buyer as prompt payment if 1) payment is made within Fifteen (15) Days from receipt of Seller's billing, and 2) buyer is up to date with all its payment obligations under this</p>	<p>We suggest to revise the provision as follows:</p> <p>7.3 Prompt Payment Discount</p> <p>The SUPPLIER shall extend <b>three</b> percent (3 %) <b>Prompt Payment Discount</b> (PPD) based on the non- fuel fee (sum of Capital Recovery Fee, Fixed O&amp;M Fee and Variable O&amp;M Fee) to the OFFTAKER</p>	<p>The seller is required to extend 3% prompt payment discount, which contradicts existing BIR policy that prompt payment discount should be provided automatically without reference to a future event, such as the payment of the billing with 10 days from receipt of invoice, the current wording would subject the Supplier to income tax exposures.</p>	<p>For finalization of during the negotiation phase.</p>

Agreement. If the fifteenth (15th) day falls on a weekend, a regular holiday, special holiday, or any non-working holiday and the payment is made on the next Working Day, the PPD can still be availed of.

**The PPD shall be automatically deducted from the current invoice. If the SUPPLIER Invoice is paid by the OFFTAKER beyond thirty (30) Days from the OFFTAKER's receipt of the said invoice, the SUPPLIER shall charge and collect liquidated damages equivalent to the PDST BVAL reference rate for one (1) month, applied monthly on the unpaid amount of the SUPPLIER Invoice, net of the PPD, due from the day after the end of the thirty (30)-Day period until full payment of the relevant invoice; provided that the penalty shall not be passed on to the OFFTAKER's consumers. If the thirty (30th)-day falls on a weekend, a regular holiday, special holiday, or any non-working holiday and the payment is made on the next Working Day, no penalty shall be collected.**

**Notwithstanding the automatic PPD deduction, if the OFFTAKER incurs a delay in payment that will warrant the imposition of liquidated damages, the OFFTAKER shall not be entitled to the**

The proposed provision is also beneficial to PROSIELCO as it does not require PROSIELCO to pay within 15 days while still being able to avail of the PPD.

		<p><u>PPD for the succeeding month/s until the OFFTAKER fully pays the arrears and liquidated damages.</u></p> <p><u>The SUPPLIER Invoice shall reflect the total amount billed for the relevant Billing Period with the three percent (3%) PPD indicated as a separate line item and unbundled from the total amount billed.</u></p>	
114.	<p>5.4 Liquidated Damages</p> <p>Liquidated damages in case of default shall be in the amount of Ten Thousand Pesos (Php 10,000.00) per MW per day that the defaulting Party continues with the default and any fraction thereof, to be paid within Thirty [30] Calendar Days after written demand for payment. For the avoidance of doubt, the foregoing provision on liquidated damages shall not apply to delays in payment by the BUYER.</p>	<p>We would like to amend the provision as follows:</p> <p><u>7.4.1 Liquidated Damages in Case of Default of OFFTAKER. Where OFFTAKER fails to comply with its obligations and is thereby in default as defined under SECTION [•] of this Contract, OFFTAKER shall pay an amount of fifty thousand pesos (PhP50,000.00) per day that the OFFTAKER continues with the default and any fraction thereof, to be paid within thirty (30) Days after written demand for payment.</u></p> <p><u>Liquidated damages shall not be demandable due to delays that are not caused by the OFFTAKER's fault or</u></p>	<p>This is to provide guidance to the parties on the liquidated damages that will ensure parties will comply with their obligations in the PSA.</p> <p>Not acceptable</p>

negligence or due to Force Majeure events.

7.4.2. Liquidated Damages in Case of Default of SUPPLIER. SUPPLIER shall be penalized at a rate equivalent to OFFTAKER's Distribution Supply and Metering ("DSM") charge on top of the Replacement Power cost.

Liquidated damages shall not be demandable due to delays that are not caused by the SUPPLIER's fault or negligence or due to Force Majeure events.

OFFTAKER's prevailing DSM rate is \_\_\_\_\_ PhP/kWh. If a different DSM rate would be approved by the ERC in the future, OFFTAKER shall immediately inform the SUPPLIER in writing of such rate. The new DSM rate shall be applied on the next Billing Period after SUPPLIER's receipt of the written notification from OFFTAKER.

7.4.3. Liquidated Damages shall be paid

by SUPPLIER in any of the following conditions (each a “Drawing Event”):

c. Delay in Delivery Date;

Liquidated damages shall be paid by SUPPLIER if OFFTAKER had to source its own power due to SUPPLIER’s failure to deliver the Guaranteed Dependable Capacity by the Delivery Date. In such a case, SUPPLIER shall pay the actual cost incurred by OFFTAKER for Replacement Power plus the prevailing DSM Rate per kWh of Replacement Power secured by OFFTAKER.

No liquidated damages shall be paid if the SUPPLIER provides the alternative power supply for OFFTAKER as contemplated in Section 5.3.b hereof.

d. Failure to provide Replacement Power;

Liquidated damages shall be paid by SUPPLIER if OFFTAKER had to source its

own Replacement Power due to SUPPLIER's failure to provide Replacement Power as required under the circumstances indicated in this Agreement. In such a case, SUPPLIER shall pay the actual cost incurred by OFFTAKER for Replacement Power plus the Prevailing DSM Rate per kWh of Replacement Power secured by OFFTAKER.

No liquidated damages shall be paid if the SUPPLIER provides the Replacement Power for OFFTAKER, provided that the applicable Replacement Power rate charged by SUPPLIER shall be the actual Replacement Power rate or the approved rate for this Agreement, whichever is lower.

e. Failure of the SUPPLIER to provide the Black-Start Capability:

SUPPLIER shall pay liquidated damages in the amount of 1% of 1% of the Performance Bond amount for every instance where SUPPLIER fails to provide

the Black-Start Capability.

The Liquidated Damages shall be paid within thirty (30) calendar Days after written demand for payment.

The Liquidated Damages contemplated by Section [•] shall be deducted from the SUPPLIER's Performance Bond. In implementing Section [•], the Liquidated Damages on any given Billing Period should not exceed the Performance Bond of the SUPPLIER. If the Liquidated Damages exceed the Performance Bond, such an event shall be considered as a breach of contract by the SUPPLIER and shall be a cause for OFFTAKER to terminate this Agreement. Further, the penalties shall not be passed on to OFFTAKER or its consumers.

In each Drawing Event, the OFFTAKER shall notify the SUPPLIER in writing of the Drawing Event and such other information to support the same. The

	<p><u>SUPPLIER shall have three (3) Business Days from receipt of the notice to respond to the OFFTAKER. If the SUPPLIER fails to respond within the three (3)- Business Day period or does not satisfactorily explain the non-existence of such Drawing Event, the SUPPLIER shall pay the Liquidated Damages.</u></p>		
115.	<p><u>We suggest to add the following provisions:</u></p> <p><u>8. OTHER OBLIGATIONS OF THE OFFTAKER AND SUPPLIER.</u></p> <p><u>8.1 Other Obligations of the SUPPLIER. For the entire Term of this Agreement, the SUPPLIER shall have the following obligations, among other obligations provided hereunder.</u></p> <p><u>a. Execute the Subsidy Agreement with OFFTAKER and NPC-SPUG.</u></p> <p><u>b. Secure the required Connection Agreement.</u></p> <p><u>c. Procurement, mobilization, construction, installation, control and</u></p>	<p>The additional provisions lay out the obligations of the parties and ensure that there is no ambiguity in the roles of the parties.</p>	<p>Accepted with modifications</p>

possession, testing, commissioning, operation and maintenance of the Power Station, including obtaining all necessary Government Consents and their renewals, such as but not limited to environmental approvals, required in connection therewith, in accordance with Good Industry Practice, the technical parameters set forth in SCHEDULE [•] and in compliance with Applicable Law.

d. Provide and maintain the Performance Bond in favor of the OFFTAKER in the allowable forms stated in this Agreement.

e. Make available at the Delivery Point for nomination by OFFTAKER the Guaranteed Dependable Capacity in accordance with the terms, conditions, standards, and requirements set forth in this Agreement.

f. Procurement, mobilization, construction, installation, control and possession, commissioning, operation and maintenance of the connection assets.

g. Pay the real property taxes assessed

on the Power Station, for the duration of the Term.

h. Maintain legally binding possessory rights over the land on which the Power

i. Station will be constructed, ensuring full control and access to the property for the duration of the Contract Term.

j. Comply with the connection and operational requirements of the Philippine Small Grid Guidelines (PSGG), the Philippine Distribution Code, and other applicable guidelines, which may be amended from time to time.

k. Maintain the validity of its Certificate of Compliance or Provisional Authority to Operate and perform all acts necessary to ensure that the same is not terminated, revoked, or shall not expire at any time during and throughout the Term of this Agreement.

8.2 Other Obligations of the OFFTAKER.

For the entire Term of this Agreement, the OFFTAKER shall have the following obligations, among other obligations provided hereunder:

- a. Execute the Subsidy Agreement with SUPPLIER and NPC-SPUG;
- b. Provide available documents/information needed by the SUPPLIER in securing necessary permits for the construction of the Power Station;
- c. Assist SUPPLIER (at SUPPLIER's cost) in procuring any required rights of way to enable SUPPLIER to connect to the OFFTAKER's distribution system;
- d. Assist SUPPLIER to obtain the consent of or approvals from the ERC and other Government Authority to enable OFFTAKER's system to take electricity from the Power Station and in implementation of this Agreement; provided that SUPPLIER shall pay the necessary application fees, costs of publication and other expenses necessary in obtaining such consents and approvals;
- e. Nominate the dispatch of the Power Station in accordance with the Philippine Small Grid Guidelines and Philippine Small Grid Dispatch Protocol;
- f. Operate, upgrade and maintain its

distribution system to achieve the reliability indices set by the ERC in compliance with the Philippine Distribution Code;

g. Apply for the renewal of its Congressional franchise to operate as an electric distribution utility covering the Province of Siquijor;

h. Comply with all governmental regulations or interpretations pertaining to the UCME and subsidy policy or subsidy mechanism;

i. Recognize that the UCME subsidy is ultimately for the benefit of OFFTAKER's consumers. If there is a delay in receipt of payment by the SUPPLIER of the Subsidy Fee from NPC-SPUG, OFFTAKER shall exhaust all possible remedies with the ERC, DOE, and NPC-SPUG to resume payment of the Subsidy Fee;

OFFTAKER shall also seek assistance from Local Government Units (LGUs) to facilitate the resumption of the Subsidy Fee payments by NPC-SPUG. OFFTAKER shall exercise due diligence in these efforts to ensure that the subsidy

		<p><u>intended for the benefit of its consumers is disbursed by NPC-SPUG without undue delay.</u></p> <p><u>8.3 Application for Approval by the ERC. Within thirty (30) days from execution of this Agreement, the Parties shall file a Joint Application for Approval of this Agreement with the ERC (ERC Application) and shall exert their best efforts to secure the ERC'S PA, IR, and FA of this Agreement as promptly as practicable in accordance with prevailing ERC guidelines, and shall fully cooperate with each other with respect to the ERC Application.</u></p>		
116.	<p>6.1.1 Acts of God – Acts of God, should only be considered as force majeure sufficient to terminate the contract if –</p> <p>(a) The event or calamity is of the degree or intensity that the continued operation of the parties would lead to death or injury of the parties' employees or agents;</p> <p>(b) The event or calamity is of the degree or intensity that the continued operation of the parties would be of great hazard to the</p>	<p>We would like to amend the provision as follows:</p> <p>“Acts of God, should only be considered as force majeure sufficient to terminate the contract if –</p> <p>(a) The event or calamity is of the degree or intensity that the continued operation of the <b>affected Party</b> would lead to death or injury of the <b>affected Party's</b></p>	<p>We propose to add the following provisions to cover events that are not life threatening and/or severe calamities that may be impossible to continue operations.</p>	Accepted

	<p>security and safety of the public.</p>	<p>employees or agents;  (b) The event or calamity is of the degree or intensity that the continued operation of the <b>affected Party</b> would be of great hazard to the security and safety of the public;  © <u>It is of such kind that, while it does not lead to death or injury to the affected Party’ employees or agents, or is not of great hazard to the security and safety of the public, but nonetheless prevents the affected Party from performing its obligations.</u>  (d) <u>The typhoon, fire, tornado, or other calamity is of such gravity that it severely or completely damages the Power Station or Distribution System, rendering it impossible to continue operations for either Party.”</u></p>		
117.	<p>6.1.2 Epidemic –  An epidemic officially declared by the national or local government, should only be considered as force majeure and a ground for termination of contract, if the epidemic causes:</p>	<p>We would like to amend the provision as follows:  9.1.2 Epidemic <b>or Pandemic</b> –  An epidemic <b>or pandemic</b> officially declared by the national or local government, should only be considered as force majeure and a ground for</p>	<p>This is to ensure that only officially declared epidemics or pandemics that directly prevent contract performance are valid grounds for force majeure or termination</p>	<p>Accepted</p>

		termination of contract, if the epidemic causes:		
118.	<p>6.1.3 Other Events of Force Majeure (Force Majeure-Acts of Man)</p> <p>Force Majeure events occurring in or directly affecting the Philippines include:</p> <p>(a) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or sabotage;</p> <p>(b) nationwide strikes, works to rule or go-slows that extend beyond the Facility or are widespread or nationwide, or that are of a political nature;</p> <p>I radioactive contamination or ionizing radiation originating from a source outside or inside the Philippines.</p>	<p>We would like to amend the provision as follows:</p> <p>9.1.3 Other Events of Force Majeure</p> <p>f. <b><u>Force Majeure events occurring in or directly affecting the Philippines including but not limited to:</u></b></p> <p><b><u>- any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or sabotage;</u></b></p> <p><b><u>-nationwide strikes, works to rule or go-slows that extend beyond the SUPPLIER or are widespread or nationwide, or that are of a political nature;</u></b></p> <p>-radioactive contamination or ionizing radiation originating from a source outside or inside the Philippines.</p> <p><b>b. Delay in receipt of payment of the</b></p>	<p>This is to ensure that all possible delays will be covered and will allow the parties to enter into a consultation period which will help address and resolve the delays caused by these events.</p>	<p>For finalization of during the negotiation phase.</p>

Subsidy Fee from NPC-SPUG for more than one hundred (120) consecutive Days from its receipt of the relevant invoice for the Subsidy Fee. In the event of such a delay,100eitherr party shall immediately cease operations. Instead, both Parties shall exhaust all available remedies with the ERC, DOE, and NPC-SPUG to ensure the prompt resumption of Subsidy Fee payments ;

c. Any action or failure to act by any Government Authority, including without limitation, expropriation or compulsory acquisition of all or any material part Power Station affecting the operations, including any sub-transmission or substation facilities to which the Power Station is connected;

d. The denial of or delay in the granting of any Government Consent which the Parties have agreed to waive for an agreed time period past the Effective Date, and the failure of any such Government Consent once granted to remain in full force and effect or to be

		<p><u>renewed on substantially similar terms; provided that in any of these cases, the affected Party complied with the timely and full submission of requirements. For the avoidance of doubt, a downward adjustment of any tariff component of SUPPLIER's generation charge as set forth in this Agreement shall not be considered as a Force Majeure event.</u></p> <p><u>g. Failure or inability of the Distribution System to transmit or receive the Guaranteed Dependable Capacity without fault or negligence of the relevant Party; or</u></p> <p><u>f. Any other event of similar nature which prevents the SUPPLIER from delivering the Guaranteed Dependable Capacity to the OFFTAKER, or prevents the OFFTAKER from receiving the Guaranteed Dependable Capacity from the SUPPLIER.</u></p>		
119.	<p>6.2 Notification and Obligation to Remedy</p> <p>In the event of the occurrence of a Force</p>	<p>We would like to amend the provision as follows:</p>	<p>The revisions lay out a more detailed notification procedure in the event a Force Majeure happens.</p>	<p>Accepted</p>

Majeure that prevents a Party from performing its obligations hereunder (other than an obligation to pay money), such Party shall: (a) notify within five (5) Days the other Party in writing of such Force Majeure; (b) not be entitled to suspend performance under this Agreement for any greater scope or longer duration than is required by the Force Majeure; (c) use all reasonable efforts to remedy its inability to perform and to resume full performance

~~In the event of the occurrence of a Force Majeure that prevents a Party from performing its obligations hereunder (other than an obligation to pay money), such Party shall: (a) notify within five (5) Days the other Party in writing of such Force Majeure; (b) not be entitled to suspend performance under this Agreement for any greater scope or longer duration than is required by the Force Majeure; (c) use all reasonable efforts to remedy its inability to perform and to resume full performance~~

9.2. In the event of the occurrence of a Force Majeure that prevents a Party from performing its obligations hereunder (other than an obligation to pay arrears or liquidated amounts that are due prior to the occurrence of the Force Majeure), such Party shall:

a. Notify within five (5) Days from knowledge of the occurrence of a Force Majeure the other Party in writing of such Force Majeure;

b. Not be entitled to suspend

		<p><u>performance under this Agreement for any greater scope or longer duration than is required by the Force Majeure;</u></p> <p><u>c. Use all reasonable efforts to remedy its inability to perform and to resume full performance hereunder as soon as practicable;</u></p> <p><u>d. Perform acts to avoid further loss or wastage;</u></p> <p><u>e. Keep such other Party apprised of such efforts on a continuous basis; and</u></p> <p><u>f. Provide written notice of the resumption of performance hereunder.</u></p>		
120.	No current provision.	<p>We suggest to add the following provisions:</p> <p><u>9.3 Limitation. Notwithstanding the occurrence of a Force Majeure, the Parties shall perform their obligations under this Agreement to the extent the performance of such obligations is not impeded by the Force Majeure.</u></p> <p><u>The suspension of performance of obligation resulting from the occurrence of Force Majeure shall be limited to the scope and duration as may be reasonably</u></p>	The added provision covers the obligations in the event of Force Majeure. This is to ensure that despite the occurrence of a Force Majeure, the supply of power will not be significantly affected.	Accepted

		<b>required or affected by such event.</b>		
	No current provision.	We suggest to add the following provisions:  <b><u>9.4. Payment during Pendency of Force Majeure Event. The SUPPLIER is entitled to receive payments for energy already delivered prior to the Force Majeure.</u></b>	The added provision covers the payments in the event of Force Majeure. This is to ensure that obligations are performed in accordance with the PSA.	Accepted
121.	No current provision.	We suggest to add the following provisions:  <b><u>9.5. Temporary Force Majeure. Both Parties shall be excused from performing their respective obligations under this Agreement upon the occurrence of a Force Majeure for a period not exceeding ninety (90) Days (“Temporary Force Majeure Period”).</u></b>	The added provision covers Temporary Force Majeure. This is to provide guidance to the parties on the period allowed for the declaration of a Temporary Force Majeure.	For finalization during the negotiation phase
122.	No current provision.	We suggest to add the following provisions:  <b><u>9.6 Consultation Period. The Parties shall consult with each other upon the occurrence of the Temporary Force Majeure, such consultation period not exceeding thirty (30) Days after the end</u></b>	The provision covers the consultation period in the event of Force Majeure. This is to provide guidance on the consultation period allowing parties to resolve the Force Majeure.	For finalization during the negotiation phase

		<u>of the Temporary Force Majeure Period. During this time, the Parties will work collaboratively to determine appropriate measures, adjustments, or solutions to mitigate the effects of the Force Majeure and to resume normal operations as swiftly as possible.</u>		
123.	No current provision.	We suggest to add the following provisions:  <b><u>9.7. Extended Force Majeure. If the Force Majeure subsists beyond the thirty (30)-day period from the Consultation Period referenced in Section 9.6, the same shall be considered as an Extended Force Majeure and shall give either Party the right to terminate the Agreement pursuant to SECTION [•] and such termination shall be subject to the approval of the ERC.</u></b>	The added provision covers Extended Force Majeure. This is to provide guidance on the rights of the parties in case there is an Extended Force Majeure.	For finalization during the negotiation phase
124.	6.3 Consequences of Force Majeure Neither Party shall be responsible or liable for, or deemed in breach hereof because of, any failure or delay in complying with its obligations under or pursuant to this Agreement which it cannot perform due solely to one or more Force Majeure or its or	We would like to amend the provision as follows:  <del>Neither Party shall be responsible or liable for, or deemed in breach hereof because of, any failure or delay in complying with its obligations</del>	This is to ensure that the provision is stated more clearly.	Not acceptable

their effects or by any combination thereof, and the periods allowed for the performance by the Parties of such obligation(s) shall be extended on a day-by-day basis for so long as one or more Force Majeure continues to affect materially and adversely the performance of such Party of such obligation(s) under or pursuant to this Agreement; provided, however, that no relief shall be granted to the Party claiming Force Majeure pursuant to this Section to the extent that such failure or delay would nevertheless been experienced by that Party had such Force Majeure not occurred; and provided further, that the Parties may file the proper motion for termination, when the Force Majeure delays a Party's performance for a period greater than (a) [number of months] consecutive months prior to the Effective Date or (b) [number of months] consecutive months after the Effective Date.

~~under or pursuant to this Agreement which it cannot perform due solely to one or more Force Majeure or its or their effects or by any combination thereof, and the periods allowed for the performance by the Parties of such obligation(s) shall be extended on a day-by-day basis for so long as one or more Force Majeure continues to affect materially and adversely the performance of such Party of such obligation(s) under or pursuant to this Agreement; provided, however, that no relief shall be granted to the Party claiming Force Majeure pursuant to this Section to the extent that such failure or delay would have nevertheless been experienced by that Party had such Force Majeure not occurred; and provided further, that the Parties may file the proper motion for termination, when the Force Majeure delays a Party's performance for a period greater than (a) [number of months] consecutive months prior to the Effective Date or (b) [number of months] consecutive months after the Effective Date.~~

9.7 Neither Party shall be responsible or liable for, or deemed in breach hereof because of, any failure or delay in complying with its obligations under or pursuant to this Agreement which it cannot perform due solely to one or more Force Majeure or its or their effects or by any combination thereof, and the periods allowed for the performance by the Parties of such obligation(s) shall be extended on a day-by-day basis for so long as one or more Force Majeure continues to affect materially and adversely the performance of such Party of such obligation(s) under or pursuant to this Agreement; provided, however, that no relief shall be granted to the Party claiming Force Majeure pursuant to this Section to the extent that such failure or delay would have nevertheless been experienced by that Party had such Force Majeure not occurred; and provided further, that the Parties may file the proper motion for termination, when the Force Majeure is considered as an Extended Force Majeure.

125.

We suggest to add the following provisions:

**10. PRE-TERMINATION OF AGREEMENT**

**No party to this Agreement shall be allowed to terminate the Agreement within the validity period thereof, unless expressly allowed under the prevailing rules of the ERC and this Agreement.**

**Termination shall only be allowed based on grounds stipulated in this Agreement, upon full compliance with the procedural requirements set hereunder, and with prior approval from the ERC.**

**A motion for termination of this Agreement must be justified only on any of the following grounds:**

- a. insolvency of the SUPPLIER;**
- b. expiration, reduction or revocation of the franchise of OFFTAKER.**

**The OFFTAKER shall commence efforts to renew its franchise over the Province of Siquijor of [ • ] at least five (5) years**

The suggested provision would cover pre-termination of the Agreement. This is to ensure that there is guidance between the parties on what grounds allow a pre-termination of the agreement.

For finalization during the negotiation phase.

before its expiration. In the event that OFFTAKER's franchise to operate as an electric distribution utility is not renewed or terminated, or its coverage area is reduced, OFFTAKER shall have the obligation to assign the rights and obligations under this Agreement affected by the said non-renewal, termination, or reduction to the new utilities) with the franchise to operate in the area affected by the non-renewal, termination, or reduction of OFFTAKER's coverage area. The SUPPLIER shall have the corresponding obligation to accept such assignment. If such assignment fails to occur due to reasons not attributable to the act or omission of any act, fault or negligence of OFFTAKER and/or the SUPPLIER, the Parties must agree on a transition period, subject to the terms of this Agreement. During this period, both the SUPPLIER and OFFTAKER must make all reasonable efforts to prevent any power supply disruption to the Province of Siquijor, Thereafter, the SUPPLIER may choose to exercise the remedy under Section [•] (b), in conjunction

		<p><u>with Section [•] and Section [•] and recover any fees due as specified in Section [•];</u></p> <p><u>c. breach of any of provisions of this Agreement, and any amendments, addendums thereto;</u></p> <p><u>d. default of either party without fault or negligence on the other Party;</u></p> <p><u>e. extended force majeure rendering the supply of electricity impossible to accomplish; or</u></p> <p><u>f. any other circumstance analogous to the foregoing grounds.</u></p> <p><u>Upon the approval by the ERC of the termination of this Agreement, 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.</u></p>		
126.	7.1.1 A Party fails to make any payment required pursuant to this Agreement when due and payable and such payment is not	We would like to amend the provision as follows:	The 10-day period was adjusted to 30 to provide the affected party ample time to pay.	For finalization during the negotiation phase.

	made within ten (10) Days after the due date	11.1 Events of Default  xxx  11.1.1 A Party fails to make any payment required pursuant to this Agreement when due and payable and such payment is not made within <del>ten (10)</del> <b>thirty (30)</b> Days after the due date;		
127.	7.1.3 A Party becomes bankrupt or there occurs a default, event of default or other similar condition or event with respect to the Buyer under one or more agreements or instruments to which it is a party.	We would like to amend the provision as follows:  11.1.3 A Party becomes <del>bankrupt</del> <b>insolvent</b> or there occurs a default, event of default or other similar condition or event with respect to the OFFTAKER under one or more agreements or instruments to which it is a party.	Replaced bankrupt to insolvent.	
128.	Within five (5) Days from knowledge of the occurrence of an Event of Default and for Events of Default capable of being remedied or cured, the Non-Defaulting Party shall issue a written notice to the Defaulting Party specifying in detail the relevant Event of Default (the “Notice of Default”). The Defaulting Party shall have the opportunity to cure the default within the following	We would like to amend the provision as follows:  Within <del>ten (10)</del> Days from knowledge of the occurrence of an Event of Default and for Events of Default capable of being remedied or cured, the Non-Defaulting Party shall issue a written notice to the Defaulting Party specifying in detail the	The 5-day period was adjusted to 10 days to provide ample time to cure/remedy the event of default.	Accepted

	periods from receipt of the Notice of Default (each a “Cure Period”):	relevant Event of Default (the “Notice of Default”). The Defaulting Party shall have the opportunity to cure the default within the following periods from receipt of the Notice of Default (each a “Cure Period”):		
129.	7.4.2 During the period of thirty (30) Days (or such longer period set out in the Termination Notice or as the Parties may agree) following the giving of such Termination Notice, the Parties shall negotiate as to what steps shall be taken with a view to mitigating or remedying the consequences of the relevant event having regard to all circumstances.	We would like to amend the provision as follows:  11.4.2 During the period of <del>thirty (30)</del> <b>ninety (90)</b> Days <del>(or such longer period set out in the Termination Notice or as the Parties may agree)</del> following the giving of such Termination Notice, the Parties shall negotiate as to what steps shall be taken with a view to mitigating or remedying the consequences of the relevant event having regard to all circumstances.	The 30-day period was adjusted to 90 days for the negotiation.	Accepted
130.	7.5.1 Nonfulfillment of Conditions Precedent to Effectivity. If any condition to the Effective Date has not been fulfilled on or before (6 months), then either Party has the option to terminate this Agreement by giving written notice of such termination to the other Party, provided that the fulfilment of such condition is not within the control of	We would like to amend the provision as follows:  11.5.1 Nonfulfillment of Conditions Precedent to Effectivity. If any condition to the Effective Date has not been fulfilled on or before <b>two hundred seventy (270) Days from the signing of</b>	The periods were adjusted accordingly to ensure parties have sufficient time to complete the conditions precedent to effective date.	For finalization during the negotiation phase.

<p>the Party seeking to give such notice, subject to the prior notification to and approval of ERC, pursuant to its rules and regulations. Upon the giving of notice of termination, this Agreement shall terminate on the date specified for termination in such notice, which date shall not be earlier than Sixty (60) Days from the date of such notice, subject to the approval of the ERC.</p>	<p><del>this Agreement (6 months)</del>, then either Party has the option to terminate this Agreement by giving written notice of such termination to the other Party, provided that the fulfilment of such condition is not within the control of the Party seeking to give such notice, subject to the prior notification to and approval of ERC, pursuant to its rules and regulations. Upon the giving of notice of termination, this Agreement shall terminate on the date specified for termination in such notice, which date shall not be earlier than <del>Sixty (60)</del> <b>fourteen (14)</b> Days from the date of such notice, subject to the approval of the ERC.</p>		
<p>131. 7.5.2 Termination in Certain Events of Force Majeure. If an event of Force Majeure occurs under the circumstances and having the consequences described in Section 6, then this Agreement may be terminated, subject to prior notification to and approval by the ERC, by notice of either Party delivered to the other Party within Five (5) Days after the end of such 60 days period. If any Force Majeure is expected by the Claiming Party to</p>	<p>We would like to amend the provision as follows:  <b>11.5.2</b> Termination in Certain Events of Force Majeure. If an event of Force Majeure occurs under the circumstances and having the consequences described in Section [•], then this Agreement may be terminated, subject to prior notification to and approval by the ERC,</p>	<p>The periods were adjusted accordingly to ensure that there is expediency and ample time to provide the notice of termination.</p>	<p>For finalization during the negotiation phase.</p>

	<p>exceed 60 Days then the Claiming Party may give notice to the other Party at any time of the Claiming Party's desire to terminate this Agreement. The Non-Claiming Party shall notify 16 of 31 The Claiming Party, within five (5)Days of the receipt of such notice, of either: (1) its acceptance of the notice, in which case this Agreement shall terminate effective on the date of such responsive notice, subject to the prior notification and approval of the ERC, pursuant to its rules and regulations; or (2) its disagreement with the Claiming Party's expectation of the duration of such Force Majeure event, in which case the dispute shall be resolved pursuant to Section 8</p>	<p>by notice of either Party delivered to the other Party within <del>thirtyFive(305)</del> Days after the end of <u>the Consultation Period</u> <del>such 60 days period</del>. If any Force Majeure is expected by the Claiming Party to exceed <del>thirty (30)60</del> Days <u>after the Consultation Period</u> then the Claiming Party may give notice to the other Party at any time of the Claiming Party's desire to terminate this Agreement. The Non-Claiming Party shall notify the Claiming Party, within <del>fourteenive(145)</del> Days of the receipt of such notice, of either: (1) its acceptance of the notice, in which case this Agreement shall terminate effective on the date of such responsive notice, subject to the prior notification and approval of the ERC, pursuant to its rules and regulations; or (2) its disagreement with the Claiming Party's expectation of the duration of such Force Majeure event, in which case the dispute shall be resolved pursuant to Section [<del>•</del>]<b>8</b>.</p>		
132.	No Current Provision	We suggest to add the following to the Termination as a Result of Events Other than Event of Default:	This is to add the items that should be included under Termination as a Result of Events Other than Event of Default. This will ensure that	For finalization during the negotiation phase.

		<p><b><u>11.5.3 Non-renewal of OFFTAKER's franchise;</u></b>  <b><u>11.5.4 Privatization of OFFTAKER;</u></b>  <b><u>11.5.5 Failure to Cure an Event of Default. Except for items [•] (b) and (c) which shall have no Cure Period, the Non-Defaulting Party shall have the right to terminate this Agreement in the event the Defaulting Party fails to cure or remedy the Event of Default within the Cure Period or within such extended period as may be agreed between the Parties, subject to the approval of the ERC, and may pursue any remedy available to it under this Agreement or at law.</u></b>  <b><u>11.5.6 Obligations Not Suspended. During the Cure Period, the Parties shall continue to comply with their respective obligations not affected by the</u></b></p>	<p>parties are given an option to declare this as an event of default which will allow parties to terminate the PSA subject to ERC approval.</p>	
133.	No Current Provision	<p>We suggest to add the following provisions:</p> <p><b><u>12. TERMINATION FEE</u></b></p> <p><b><u>If an Event of Termination is due to an the OFFTAKER Event of Default,</u></b></p>	<p>Added this provision to cover Termination Fee in the event of termination. This ensures that parties are able to recover costs already incurred in cases of a termination.</p>	<p>For finalization during the negotiation phase.</p>

**SUPPLIER Event of Default, or Termination other than Default, the Non-Defaulting Party shall be entitled to claim the Termination Fee in accordance with this Section**

**12.1 Payable by the OFFTAKER. Upon the OFFTAKER's default, the SUPPLIER shall be entitled to claim a Termination Fee in accordance with this Section:**

134. **After Effective Date and prior to Delivery Date, such Termination Fee shall be equivalent to the aggregate of all project and project-related costs of the Power Station. The value of the project and project related costs shall be certified by any independent auditor jointly appointed by the Parties, or, if the Parties fail to agree, appointed by the Steering Committee; and**

**b. During the Term, such Termination Fee shall be computed in accordance with**

**the formulas provided below:**

$$\left[ \frac{\left( \frac{CRR}{730} \right) \times \left\{ GDC \times 78\% \times (730 - H_o) \right\} \times RT}{\left( 1 + \left( \frac{BVAL}{12} \right)^{RT} \right)} \right] +$$

Where:

<i>CRR</i>	= Capacity Recovery Rate as defined in Schedule 4
<i>GDC</i>	= Guaranteed Dependable Capacity of 11,000 kW
<i>H<sub>o</sub></i>	= Average monthly equivalent outage hours in excess of outage allowance for the past 12 months prior to notice of termination
<i>RT</i>	= Remaining term
<i>BVAL</i>	= Prevailing PDS BVAL rate that corresponds to the remaining term of the contract depending on each phase expressed in % ( <a href="https://www.pds.com.ph/index.html%3Fpage_id=56432.html">https://www.pds.com.ph/index.html%3Fpage_id=56432.html</a> )

**c.Payment for Termination Fee shall be made within thirty (30) days from written notice by SUPPLIER of the calculation of the Termination Fee.**

**In the event of Termination Fee payable pursuant to either Section (a) or (b), the OFFTAKER shall prioritize the payment thereof to the SUPPLIER, ahead of other creditors or suppliers and warrants not to enter into any agreements contrary to or otherwise ensure that all other agreements it enters into shall be in accordance with this priority of payment clause in favor of the OFFTAKER.**

		<p><b><u>12.2 Payable by the SUPPLIER. Upon the SUPPLIER's default, the OFFTAKER shall be entitled to claim a Termination Fee equivalent to the Performance Bond posted by the SUPPLIER.</u></b></p>		
134.	<p>The Seller may only assign or transfer its rights or obligations to its Affiliates or its consortium's special purpose vehicle under, pursuant to or associated with (a) this Agreement, (b) the Facility, (c) the movable property and intellectual property of the Seller, or (d) the revenues or any of the rights or assets of the Seller, in each of subsections (a) through (c) without the prior written consent of the Buyer, provided, however, that any such assignee of Seller shall have the ability to perform all of Seller's obligations and duties under this Agreement. Such transfer of rights and obligations under this provision shall require prior notification and approval of the ERC. Nonetheless, both assignor and assignee are solidarily liable under this Agreement.</p>	<p>We would like to amend the provision as follows: The <b>SUPPLIER</b> may only assign or transfer its rights or obligations to its Affiliates or its consortium's special purpose vehicle under, pursuant to or associated with (a) this Agreement, (b) the <b>Power Station</b> Facility, (c) the movable property and intellectual property of the <b>SUPPLIER</b> or (d) the revenues or any of the rights or assets of the <b>SUPPLIER</b>, in each of subsections (a) through (c) without the prior written consent of the <b>OFFTAKER</b> provided, however, that any such assignee of <b>SUPPLIER</b> shall have the ability to perform all of <b>SUPPLIERs</b> obligations and duties under this Agreement. Such transfer of rights and obligations under this provision shall require prior notification and approval of</p>	This revision is to correct a typo.	Please see the revised provision on assignment

		the ERC. Nonetheless, both assignor and assignee are solidarily liable under this Agreement.		
	Notices shall be effective: (a) in the case of personal delivery, when received by the recipient; or (b) in the case of transmission by electronic mail, if receipt of the transmission occurs or otherwise acknowledges transmission, upon receipt of transmission, or if receipt of the electronic mail occurs after [time] recipient's time and recipient receives a transmission confirmation or otherwise acknowledges transmission, the next succeeding Business Day.	We would like to amend the provision as follows: Notices shall be effective: (a) in the case of personal delivery, when received by the recipient; or (b) in the case of transmission by electronic mail, if receipt of the transmission occurs <u>and recipient receives a transmission confirmation</u> <del>before [time] recipient's time and recipient receives a transmission confirmation</del> or otherwise acknowledges transmission, upon receipt of transmission, or if receipt of the electronic mail occurs after [time] recipient's time and recipient receives a transmission confirmation or otherwise acknowledges transmission, the next succeeding Business Day.	This revision is to clarify that transmission via electronic mail is deemed received at the time it is acknowledged by the recipient.	Accepted
135.	No Provision	We suggest to add the following provisions:  <b>16. REPRESENTATION &amp; WARRANTIES</b>	This is to ensure that the responsibilities are clarified and reduce risk for both parties.	For finalization during the negotiation phase.

**16.1 The Parties hereby represent and warrant, which representations and warranties shall subsist for the Term of this Agreement:**

**a. Corporate Existence. The OFFTAKER is an electric cooperative, and the SUPPLIER is a Philippine corporation, both duly organized, validly existing, in good standing and qualified to do business under the laws of the Philippines, and each holds corporate power and authority to enter into, perform and carry-out all the respective obligations and covenants, under and pursuant to this Agreement.**

**b. Consents. The execution, delivery, and performance by each Party of this Agreement has been duly approved and authorized by all necessary corporate action and does not require any approval or consent of any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party of or any other person or entity, except approvals or consents which have been obtained or**

a s set forth or expressly excepted herein.

c. Full Force and Binding Agreement. This Agreement is in full force and effect, has been duly executed and delivered on behalf of each Party by the appropriate officers, and constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms upon the approval and/or ratification of this Agreement by the respective Boards of Directors

d. No Violation or Breach. The execution, delivery, and performance by each Party of its obligations under this Agreement and the consummation of the transactions contemplated herein will not result in any violation of any term of the OFFTAKER's franchise or by-laws, or the SUPPLIER's articles of incorporation or by-laws, or of any contract or agreement to which it is party or by which it or its property is bound, or, of any Applicable Law applicable to it, except any such violations which, individually or in the aggregate, would not adversely affect the performance by

such Party of its obligations under this Agreement.

e. **Warranty Against Corruption.** Each Party represents and warrants to the other that it and its representatives, affiliates or subsidiaries have complied with all laws dealing with corrupt or illegal payments, gifts, or gratuities. Each Party agrees not to (and to cause its representatives, affiliates or subsidiaries not to) in connection with the activities contemplated by this Agreement pay, promise to pay, seek, accept, or authorize the payment of any money or anything in value, directly or indirectly, to any person or entity (whether a governmental official or private individual) for the purpose of illegally or corruptly influencing any governmental employee or official, any political party or official thereof or any candidate for political office. Furthermore, each Party agrees that in connection with this Agreement and the activities contemplated hereby it and its representatives, affiliates, and subsidiaries will not take any action, or

fail to take any action, which act or failure to act would subject the other Party or any of its representatives, affiliates, and subsidiaries to liability under the laws of its country of domicile dealing with corrupt payments. Each Party agrees to indemnify the other Party from and against any loss, liability, or damage (including reasonable attorney's fees) arising from or relating to such Party's breach of its representations, warranties, and obligations under this Section. Each Party represents and warrants to the other Party that prior to the date of this Agreement, it and its representatives, affiliates, and subsidiaries have not taken any action in continuation of the foregoing in connection with the subject matter hereof.

**17. STEERING COMMITTEE**

17.1 Within fifteen (15) days from the Effective Date, the SUPPLIER and the OFFTAKER's General Manager shall each appoint two (2) representatives from

		<p><u>their respective officers or senior employees, with the proper authorizations, as members of the Steering Committee. The OFFTAKER's General Manager shall be entitled to appoint an additional member (i.e., a 5<sup>th</sup> member) who shall be the Chairman. The Chairman shall preside at the meeting and shall vote only in case of a tie.</u></p> <p><u>17.2 Throughout the Term of this Agreement, the Steering Committee shall meet regularly at least every quarter, or as the need arises, to discuss the progress of the installation of the Power Station and the implementation of the Agreement to ensure that the arrangements between the Parties proceed on a mutually satisfactory basis. Provided, that this shall be without prejudice to the need to refer any matter for decision to the respective Boards of Directors of the Parties.</u></p>		
136.	<p>Entire Agreement</p> <p>This Agreement and all Schedules thereto together represent the entire</p>	<p>We would like to amend the provision as follows:</p> <p>Entire Agreement</p>	<p>This revision is to correct a typo.</p>	<p>For finalization during the negotiation phase.</p>

	understanding between the Parties in relation to the subject matter thereof and supersede any or all previous agreements or arrangements between the Parties in respect of the Facility (whether oral or written).	This Agreement and all Schedules thereto together represent the entire understanding between the Parties in relation to the subject matter thereof and supersede any or all previous agreements or arrangements between the Parties in respect of the <b>Power Station</b> Facility (whether oral or written).		
137.	“Allowed Outage for the Connection Facilities” – The allowed number of hours for every contract year for preventive maintenance of the connection facilities to perform its intended function due to some event directly associated with that Unit and/or Component based on the Rules and Regulations of ERC.	We recommend to remove this definition	To ensure definition is consistent with the TOR.	For finalization during the negotiation phase.
138.	“Billing Period” - the period of one (1) month commencing at 0001H of the twenty- sixth (26th) day of each calendar month to 2400H of the twenty-fifth (25th) day of the calendar month.	We would like to request to revise the definition as follows: “Billing Period” - the period of one (1) month commencing at <del>0000+H</del> of the twenty- sixth (26th) day of each calendar month to 2400H of the twenty-fifth (25th) day of the calendar month.	To ensure billing periods are consistent with the duration and should be reckoned every 12AM of the 26th day of each calendar month.	For finalization during the negotiation phase.
139.	“Buyer Grid System” - The Interconnection	We would like to suggest the revision of	To ensure consistency in the usage	For finalization during the

	Facilities and any other transmission or distribution facilities on Buyer's side of the Interconnection Point(s) through which the Contract Capacity/Contract Energy of the Facility will be distributed by Buyer to users of electricity.	the definition as follows:  "Buyer Grid System" - The <del>Interconnection Facilities and any other</del> transmission or distribution facilities on <del>OFFTAKER'S</del> Buyer's side of the <del>Connection</del> Interconnection Point(s) through which the <b>Guaranteed Dependable Capacity</b> <del>Contract Capacity/Contract Energy</del> of the <del>Power Station</del> Facility will be distributed by <del>OFFTAKER</del> Buyer to <del>end-users</del> of electricity.	of defined terms within the agreement.	negotiation phase.
140.	"Contract Capacity" - The capacity, expressed in kW allocated to the Buyer during the Billing Period.	We would like to suggest the revision of the definition as follows:  <b>"Guaranteed Dependable Contract Capacity"</b> - The capacity, expressed in kW allocated to the <del>OFFTAKER</del> Buyer during the Billing Period.	This is to align the definition with the Bid Documents	For finalization during the negotiation phase.
141.	"Contract Energy" - The energy, expressed in kWh allocated to the Buyer during the Billing Period.	We recommend to remove this definition	There is no energy contract for this transaction.	For finalization during the negotiation phase.
142.	"Delivery Point" - The point of connection of the Suppliers Generation facility to the Buyers Distribution System	We would like to suggest the revision of the definition as follows:	This is to be consistent with the use of "Power Station" and "OFFTAKER" in this agreement.	For finalization during the negotiation phase.

		“Delivery Point” – The point of connection of the <b>SUPPLIER’S Power Station</b> <del>Suppliers Generation</del> facility to the <b>OFFTAKERS</b> <del>Buyers</del> Distribution System <b>as provided in Schedule 3.</b>		
143.	“Facility” - [Provide brief description of generating facility, including fuel source, capacity and location, if applicable]	We would like to request to remove this definition	This is to be consistent with the use of "Power Station" in this agreement.	For finalization during the negotiation phase.
144.	“Foreign Currency” or – The lawful currency of [ ]	We would like to suggest the revision of the definition as follows:  <b><u>“Foreign Currency” refers to any currency that is not the Local Currency, in this case, any currency other than the Philippine Peso (PhP).”</u></b>	This is to ensure flexibility on the definition of a foreign currency considering that bidders are allowed to use several foreign currencies.	For finalization during the negotiation phase.
155.	“Fuel” – [Describe type of fuel used by the Facility, if applicable].	We would like to request to remove this definition.	This is because this defined term is not used in the PSA.	For finalization during the negotiation phase.
156.	“Grid” – The high voltage backbone system of interconnected transmission lines, substations, and related facilities for the purpose of conveyance of bulk power.	We would like to request to remove this definition.	This is because this is not applicable in the context of the PSA for small and island grids.	For finalization during the negotiation phase.
157.	Interconnection Facilities” - All the facilities on the high side of the step-up transformer described in Schedule 3 to be constructed by or for Buyer to enable it to receive and deliver capacity and energy in accordance	We would like to suggest the revision of the definition as follows:  <b><u>Interconnection Facilities” - All the facilities on the high side of the step-up</u></b>	To ensure consistency with the Philippine Small Grid Guidelines (PSGG) and Connection Agreement (CA).	For finalization during the negotiation phase.

	with this Agreement plus the Metering System.	transformer described in Schedule 3 to be constructed by or for <b>OFFTAKER</b> Buyer to enable it to receive and deliver capacity and energy in accordance with this Agreement plus the Metering System.		
158.	Interconnection Point” – The physical point(s) where the Seller’s Facility and the Buyer Grid System are connected as specified in Schedule 3.	We would like to suggest the revision of the definition as follows:  “ <del>C</del> interconnection Point” – The physical point(s) where the <b>SUPPLIER’S</b> sellers Power Station Facility and the <b>OFFTAKER</b> Buyer Grid System are connected as specified in Schedule 3.	To ensure consistency with the Philippine Small Grid Guidelines (PSGG) and Connection Agreement (CA).	For finalization during the negotiation phase.
159.	“Minimum Functional Specifications” - The minimum functional specifications ,(including the technical limits of the Facility,) for the construction and operation of the Facility as set forth in Schedule 3 hereof.	We would like suggest to revise this definition as follows:  “Minimum Functional Specifications” - The minimum functional specifications ,(including the technical limits of the <b>SUPPLIER’S facilities</b> Facility,) for the construction and operation of the Facility as set forth in Schedule 3 hereof.	To ensure consistency in the usage of defined terms within the agreement.	For finalization during the negotiation phase.
160.	“NGCP” – National Grid Corporation of the Philippines, the corporation awarded the concession to operate the transmission facilities of the National Transmission	We would like recommend to remove this definition	Not applicable in the context of the PSA for small and island grids.	For finalization during the negotiation phase.

	Corporation pursuant to the EPIRA and Republic Act No. 9511.			
161.	No Current Definition	We would like to suggest to add the definition as follows:  <b><u>“Power Station” - means the generating facility/ies owned, operated and maintained by SUPPLIER during the Delivery Period, as the case may be, with the specifications provided in SCHEDULE [•], including all associated equipment and accessories.</u></b>	To ensure consistency in the usage of defined terms within the agreement.	For finalization during the negotiation phase.
162.	Outage Allowance” - refers to the allowable outage per plant type as determined by the ERC.	We would like suggest to revise this definition as follows:  Outage Allowance” - <b><u>the meaning ascribed thereto in Section 6.4</u></b> <del>refers to the allowable outage per plant type as determined by the ERC.</del>	To ensure definition is consistent with the TOR.	For finalization during the negotiation phase.
163.	“Outage Allowance for Connection Facilities” – refers to the allowable outage for the connection facilities as determined by the ERC.	We would like to recommend to remove this definition	This is to consolidate the into one definition under "Outage Allowance"	For finalization during the negotiation phase.
164.	“WESM” – Wholesale Electricity Spot Market.	We would like to recommend to remove this definition	Not applicable in the context of the PSA for small and island grids.	For finalization during the negotiation phase.
165.	Contract Capacity and/or Contract Energy	We would like to recommend to remove	The Contract Energy schedule is not	For finalization during the

		this schedule	relevant for this transaction.	negotiation phase.
166.	Scheduled Outage for connection facilities, days	We would like suggest to revise the particulars of the Technical Limits of the Facility as follows:  Scheduled Outage for <del>connection facilities</del> , days	To ensure definition is consistent with the TOR.	For finalization during the negotiation phase.
167.	Inter Connection Facilities	<b>We would like suggest to revise the following:</b>  <del>Inter</del> <b>Connection Facilities</b>	To ensure consistency with the Philippine Small Grid Guidelines (PSGG) and Connection Agreement (CA).	For finalization during the negotiation phase.
168.	Please refer to Schedule 4 Formula	Please refer to <b>Annex C</b> , the redline version of the PSA, for the proposed changes.	This is to reflect the formula indicated in the Bidding Procedures.	Noted
169.	3.0 Subsidized/Approved Generation Rate: The Subsidized Approved Generation Rate (SAGR) for each Billing Period shall be the latest approved by the Energy Regulation Commission (ERC) for the Palawan Mainland expressed in PhP/kWh.	We would like suggest to revise this provision as follows:  Subsidized/Approved Generation Rate: The Subsidized Approved Generation Rate (SAGR) for each Billing Period shall be the latest approved by the Energy Regulation Commission (ERC) for the <b>Siquijor Grid or such other rate as may be approved by the ERC in the future and applicable to the franchise area of the OFFTAKER</b> Palawan Mainland expressed	This is to correct a typographical error.	Accepted

		in PhP/kWh.		
170.	Please refer to Schedule 4, 5.0 of the draft PSA.	We recommend adding the following at the end of item 5.0:  <b><u>If Sft is EQUAL to ZERO, Formula 3.1 shall apply.</u></b>	This is to ensure proper guidance on the billings to be made in cases wherein the subsidy fee is not applicable.	Noted
171.	Please refer to Schedule 4, 6.0 of the draft PSA.	We recommend adding the following at the end of item 6.0:  <b><u>The calculation for the Offtaker Fee and NPC-SPUG Subsidy Fee during Testing and Commissioning shall be in accordance with Formula 3.0, 3.1, and 4.0.</u></b>	This is to ensure that the supplier is able to also bill the subsidy fee during testing and commissioning assuring the offtaker that it is not solely liable for the fees during testing and commissioning.	Noted
172.	The SUPPLIER must make available for dispatch the Guaranteed Dependable Capacity as provided below, subject to allowable outages provided in this Agreement.	We would like suggest to revise this provision as follows:  The SUPPLIER must make available for dispatch the Guaranteed Dependable Capacity as provided below <b><u>or up to a maximum of 11MW Guaranteed Dependable Capacity, whichever is higher</u></b> , subject to allowable outages provided in this Agreement.	This is to reflect the requirements stated in the bidding procedures.	Accepted

No current schedule.

We suggest to add the following Schedule, as follows:

**Schedule 5**

**In response to regulatory changes like the Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Renewable Portfolio Standards (RPS), Net Metering programs, and similar government initiatives, OFFTAKER shall be required to notify the Supplier in writing not later than sixty (60) days from the target switch or effectivity date. The process of reducing contracted capacities shall be carried out by decreasing the allocation from suppliers in the following order of priority:**

**To a single supplier only if the OFFTAKER's contestable market customer/s switch to the said supplier or its affiliate/s. The maximum reduction in capacity from the said supplier shall be the total capacity absorbed by the**

This shall cover the protocol in the event of a reduction of capacity and ensure that there is no ambiguity in the instance wherein a reduction in contract capacity is triggered.

For finalization during the negotiation phase.

supplier or its affiliate/s. Provided however, that if the single supplier referred to in this provision directly pertains to the SUPPLIER, the applicability of this Section shall be limited only to entities which the SUPPLIER directly owns at least two-thirds ( $\frac{2}{3}$ ) of the issued and outstanding stock.

To OFFTAKER's power supplier with the highest average actual generation rate during the immediately preceding twelve (12)-month period, provided that the power contract between them allows for a reduction in capacity without cost to OFFTAKER. Further, OFFTAKER and said supplier shall renegotiate the terms of the existing Power Supply Agreement ("PSA") and submit the same to the ERC for approval. Pending ERC's approval, all terms and conditions of the original PSA shall remain unchanged.

A reduction shall be made to all of OFFTAKER's existing suppliers. In such

		<p><u>case, the reduction in capacity shall be on a pro-rated manner. The reduction in contracted capacities shall be made upon the approval of the ERC. Along with the application for the reduction of the contracted capacities contemplated herein, the Parties may submit a re-negotiated PSA for the approval of the ERC. Pending ERC’s approval, all terms and conditions of the original PSA shall remain unchanged.</u></p>		
173.	<p><u>Section 3.3. Delivery Date</u></p> <p>The Seller shall commence delivery of Contract Capacity to Buyer on Delivery Date. The Delivery Date shall be a date, after Effective Date, reckoned from January 01, 2026 or date of issuance by the ERC of a Provisional Authority or Interim Relief, as applicable, or Final Authority, if neither Provisional Authority or Interim Relief was issued, whichever comes later. for the implementation of this Agreement as well</p>	<p>Proposed Amendment: We propose that the Delivery Date be amended as follows:  “No later than twelve (12) months from the actual date of receipt of ERC approval whether Provisional Authority, Interim Relief, or Final Authority, as applicable.”</p>	<p>We respectfully reiterate our concern regarding the current timeline provisions in the Invitation to Bid. The Target Delivery Date, as presently stated, does not account for the practical and regulatory requirements inherent in project development.</p> <p>As a matter of regulatory compliance, construction cannot commence without the prior issuance of ERC approval. Such</p>	<p>The Delivery Date stated in the TOR Shall be retained</p>

as the fulfillment of the following conditions , unless waived in writing by the Parties (except for ERC’s PA, IR, or FA which shall not be waived):

- a. Achievement of Effective Date;
- b. The ERC Certificate of Compliance (“COC”) or Provisional Authority to Operate (“PAO”) issued for the generation units of the Power Plant, as defined in SCHEDULE 3;
- c. The SUPPLIER’s filing of the Point-to-Point Application (“P2P Application”) with the ERC. The SUPPLIER shall endeavor to file the P2P Application within thirty (30) days from signing of this Agreement.
- Execution of the Subsidy Agreement with NPC-SPUG; and
- e. Execution of the Connection Agreement.

approval is a condition precedent for financial close, project mobilization, and permitting. This is consistent with provisions typically found in supply contracts of electric cooperatives and NPC.

This adjustment is both reasonable and necessary. Initiating construction before ERC approval is not allowed and would expose the project to significant regulatory, financial, and operational risks. Moreover, permitting processes, interconnection arrangements, and compliance obligations are all dependent on the final ERC authority.

The current wording, which fixes delivery on the “26th day of the calendar month following ERC approval,” presumes an unrealistic timeline and seems more suited to short-term diesel deployments rather than long-term, sustainable power solutions. Given the inherent uncertainty in ERC’s issuance timelines, the existing

			<p>provision is impractical and unbankable.</p> <p>Our proposed revision ensures that implementation is realistic, compliant, and financeable, thereby supporting a stable and sustainable resolution to the island's power supply needs.</p>	
174.	<p><u>Section 4.5.2 (under Replacement Power)</u></p> <p>The Seller shall provide replacement power under the following conditions:</p> <p>...</p> <p>4. If the Winning Supplier schedules a plant-level outage during the peak months of April, May, or December, even if the outage remains within the allowable Outage Allowance.</p>	<p>Clarification:</p> <p>Please confirm whether this exclude unscheduled/emergency outages that are within the allowed outage during this peak months.</p>	Further clarification.	This refers to scheduled plant-level outages.
175.	<p><u>Section 5.4 Liquidated Damages</u></p> <p>Liquidated damages in case of default shall be in the amount of Ten Thousand Pesos (Php</p>	<p>Clarification:</p> <p>Please clarify if the "DEFAULT" being defined here are the events per Section 7.</p>	Further clarification.	This provision refers to the liquidated damages in case of default of either Party as provided in the PSA.

	<p>10,000.00) per MW per day that the defaulting Party continues with the default and any fraction thereof, to be paid within Thirty [30] Calendar Days after written demand for payment. For the avoidance of doubt, the foregoing provision on liquidated damages shall not apply to delays in payment by the BUYER.</p>	<p>We also note that if a Performance Bond is already required would it not be redundant to bill for liquidated damages?</p>		<p>The Performance Bond shall be retained.</p>
176.	<p><u>Section 7. Defaults and Termination</u></p>	<p>We note that while the Bid Documents require the posting of a Performance Bond, the section on default does not make any reference to it. With this, we respectfully reiterate our prior comment: we propose the removal of this requirement.</p> <p>In line with the Microgrid Service Contract (MGSP) framework, a separate Performance Bond is not necessary. The PSA already contains sufficient penalty provisions and protection clauses to safeguard PROSIELCO's interests. Retaining the Performance Bond requirement only imposes an additional financing burden, diverting resources that would otherwise support timely project execution and the delivery of reliable service.</p>	<p>Further clarification.</p>	<p>The Performance Bond shall be retained.</p>

177.	<p><u>Schedule 4. Monthly Payment, Indexation and Adjustment</u></p> <p>Formula 3: Subsidized/Approved Generation Rate: The Subsidized Approved Generation Rate (SAGR) for each Billing Period shall be the latest approved by the Energy Regulation Commission (ERC) for the Palawan Mainland expressed in PhP/kWh.</p>	<p>Formula 3</p> <p>Subsidized/Approved Generation Rate: The Subsidized Approved Generation Rate (SAGR) for each Billing Period shall be the latest approved by the Energy Regulation Commission (ERC) for the Province of Siquijor expressed in PhP/kWh.</p>	<p>Further clarification.</p>	<p>This shall be corrected.</p>
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