

REFERENCE	QUESTIONS AND CLARIFICATIONS	TPBAC RESPONSE
	<p>Kindly revise this formula.</p> <ul style="list-style-type: none"> On a long term levelized price, kasi when we try to analyse 'yong definition under the bid documents, it appears that instead of levelized mukhang weighted average 'yong lumalabas, so maybe we can ask for further clarification or siguro maybe the TWG or the TPBAC can re-visit this portion para mas maintindihan ng Bidders how the long term levelized price will work. Kindly revisit the current formula and provide a revised formula for deriving the long term levelized price. Please provide an example of the computation. Please expressly provide the formula for arriving at the Total CRF, FOM, VOM, and Fuel Fee. Annex C of ITB (page 43) – do the bidders use these index rates to calculate their respective TCGR offers? Should the rates be consistent with the rates used for the TCGR hurdle rate? Can you please provide some clarity as to how these rates are linked? 	
	<ul style="list-style-type: none"> The winning bidder shall comply with RPS guidelines for Off-grid Areas, will the RE component be included in the rate computation or determination of the Lower 	<p>Yes, the RE TCGR will include in the Annex D for revision which is subject for bid bulletin.</p>

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	Calculated Bid?	
	<ul style="list-style-type: none"> The bidder intends to form a new co subsidiary for this project. Is this possible? What exact document(s) does the bidder need to show this? Can it provide an Accession Agreement? 	No, assignment of PSA is not allowed.
	<ul style="list-style-type: none"> What is OMECO's plan from Dec. 2019 to March 2020 when there is no power in the grid? Given all of these pending clarifications, may we formally request OMECO to consider extending the bid submission timeline for another 2 months. 	OMECO will request from the ERC to extend the transition period of OMCP.
	<ul style="list-style-type: none"> Another question sir, in relation po don sa source of power so open technology po tayo then if each technology po kasi meron pong specific na heat rate, so are you going to provide us po 'yong details? or the consanction details? 	The Bidder will declare the heat rate.
	<ul style="list-style-type: none"> Please be specific on the interconnection point of the power plant to NPC Substation and OMECO Substation. Please provide the new single line diagram (SLD) indicating the interconnection point and metering point, base NPC / OMECO approved specs / type / code to use. If possible asset boundaries be indicated in the SLD. Is this the latest SLD? May we request for a complete and clearer copy? 	OMECO will provide the SLD. In relation to asset boundaries the bidder shall coordinate with the NPC-SPUG. It is the responsibility of the winning bidder to make for the connection agreement with NPC-SPUG.
	<ul style="list-style-type: none"> Since the RE will have a separate billing meter, we suggest that there be separate tariffs for the 	The bidder shall show or submit the four tariff structures for each site and type of technology. However, the Winning

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	conventional and renewable technology.	Bidder and OMECO shall only apply to ERC the blended cost.
	<ul style="list-style-type: none"> Can we confirm that you will apply a "pass or fail" criteria for envelope two (2)? 	Yes
PSA Section 10.2.5	<ul style="list-style-type: none"> If the downward adjustment will affect viability of the project, the Seller should be given the option to terminate the contract. What happens if ERC approved rate makes project unviable? If EC forces the issue, NPP will eventually close shop. EC will still lose in the end. In case ERC reduces tariff, OMECO must still allow GENCO to fully recover its costs. 	Based on the TOR, downward adjustment in the price is not a ground for the termination of the contract. However, the Buyer and the Seller may negotiate for an acceptable price subject to the approval of ERC.
	<ul style="list-style-type: none"> Does it mean that Power Supplier can only be on "as metered basis" and power supplier takes the risk of its revenue level as there is no minimum contracted demand? 	Yes, no minimum energy off take.
	<ul style="list-style-type: none"> Since RPS compliance should have separate Metering point, please clarify if there is an specific location requirement for the RE plant that will be used for RPS compliance or it will be anywhere of SAMARICA, Sablayan or MAPSA? 	The bidder may choose the location but subject to the approval of the Buyer.
	<ul style="list-style-type: none"> Please confirm protocol for curtailment of capacity (if there is a possibility of such) 	Yes, during unavailability of transmission and distribution line.
PSA Section 1.13	<ul style="list-style-type: none"> Section 1.13 – Please confirm that only Eo 30 	Yes

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	plants are eligible? or this can be applied for after winning the bid?	
	<ul style="list-style-type: none"> Are there any plans for OMECO to be connected to the Luzon/Visayas grid? 	NGCP has the plan to interconnect the Mindoro Island to the Luzon grid.
TOR No. 6	<ul style="list-style-type: none"> In relation to #6, what will happen if ERC does not approve the PSA before the target COD of March 25, 2020 but we have already installed our new plant? 	We will have to get the approval of the ERC prior to the supply for the new plant.
ITB Clause 12.1.3	<ul style="list-style-type: none"> In what form can we prove our financial capability? Would bank certificate suffice? or do we need to provide our financial statements? 	It was indicated in ITB Clause 12.1.3
ITB Clause 2.1	<ul style="list-style-type: none"> 2. Power Plant Output, 2.1...Any decrease of power output occurring in the frequency range of 59.7 Hz to 60.3 Hz... We'd like to confirm if this is a typo error? As per PDC-2016 4.5.1.1 page 52, stated 59.7 Hz to 57.6 Hz 	No, the frequency range of 59.7 Hz to 60.3 Hz is based on the Section 3.2.2 of the PDC-2016 edition.
ITB Annex G – 2	<ul style="list-style-type: none"> Operating Parameters item 6. The winning bidder must allow the buyer to set its distribution protection a three trips to lockout. Does the three (3) trips refer to recloser? 	Yes, it refers to the recloser.
ITB Clause 16.1	<ul style="list-style-type: none"> Please justify why the Bid Security is 10% of the required Net Worth. 	2% of the reference estimated cost of Project
ITB Clause 29.1	<ul style="list-style-type: none"> We propose that the Performance Security be allowed to be in the form of an Insurance Bond or Surety Bond. We suggest that the Guarantee or Performance Bond be accepted as Performance Security. 	No, we will maintain the form of performance security as stated in ITB 29.
TOR No. 7	<ul style="list-style-type: none"> Considering that Item 7 of 	Two (2) years for interim

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	Term of Reference, provides for schedule of delivery in different capacities in three indicated delivery points, how shall the 15 years contract duration be reckoned? This has an impact on the recovery of investment and the period we shall use in our investment parameter and rate to be offered.	demand requirement and thirteen (13) years for the new generating capacity.
ITB 12.1.1. g)	<ul style="list-style-type: none"> Is the Certificate of Good Standing/Performance being requested similar to the certificate being requested in "ITB 12 Eligibility Requirements, Item 12.1.1.g"? <p>If not, does this pertain to the Certificate of Good Business Standing issued by the Securities and Exchange Commission?</p>	Yes
ITB 7	<ul style="list-style-type: none"> Would the OMECO TPBAC be sending these to the bidders during the Due Diligence period (October 11-24, 2019)? <p>Kindly advise on the OMECO TPBAC's expected provision of the listed documents.</p>	The Bidders are required to personally secure all documents related in the conduct of Due Diligence from October 11 to November 15 at OMECO TPBAC Office 8:00 AM to 5:00 PM.
ITB Clause 12.1.1 (f)(ii)	<ul style="list-style-type: none"> Would the OMECO TPBAC be accepting a Tax Clearance from the BIR which has a recently expired validity? (i.e. Bidder has a Tax Clearance issued on October 25, 2018, and is valid until October 25, 2019) 	The TPBAC may accept, provided there is a proof of application for renewal from BIR.
	<ul style="list-style-type: none"> Would the OMECO TPBAC consider a similar notarized certification from a client transmission utility 	No, only from Distribution Utility.

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	(e.g. National Transmission Corporation), instead of a distribution utility?	
ITB 17 and 18	<ul style="list-style-type: none"> • How many copies are the OMECO TPBAC requiring? • The Bidder shall submit copies of the first, second and their envelopes. How many copies are required to be submitted? 	Please refer to ITB 17 and 18.
	<ul style="list-style-type: none"> • 1. Realizing the risk of this project due to on-going legal case regarding the issue of the termination of EPI's live PSA, we would like to request the full disclosure of the case and its status. Please discuss also the case and moving forward and the estimated timelines and milestones. What are your expectations on the proceedings? • 2. Could OMECO award the contract after the EPI v. OMECO case is finally resolved in order to avoid stranded assets and legal complications of the winning bidder. • 3. Otherwise, if award is given and the winning bidder puts up the power plant facilities, and then the decision of the case is in the favor of the continuation of operation of OMCPG (or at least an injunction is issued to prevent the operation of new plant), how will OMECO protect the investments of the winning bidder? Can OMECO guarantee to uphold its 	We will provide the status of the case and assessment.

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	<p>new PSA with the winning bidder? What form of guarantee can OMECO provide?</p> <ul style="list-style-type: none"> • It have been known that there is a dispute between OMECO and OMCP on its current PSA. What guarantee OMECO can give that OMECO's dispute with OMCP will not cause to affect the execution / implementation of the CSP or affect to the Winning Bidder. In case the dispute cause to stop the execution or implementation of the PSA of the Winning Bidder due to court order i.e. TRO, will OMECO reimburse or return all expenses made including the performance security bond of the Winning Bidder? • We can only serve minds that rules of law or decisions can take so long and then suddenly just come out what happens if and then all the investment already comes so along that line, ano kaya ang assurance ng Bidder o ng Winning Bidder that they will be put-in to a good position naman kasi just like what is now, they invested so much and now they're also in trouble of being terminated na biglaan din, I actually saw they table there, I'm sure that they must be taking by sitting down so s'yempre alam namin na hinahabol din nila 'to, so along this line, what happens if we get 	

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	<p>caught on the cross-fire?</p> <ul style="list-style-type: none"> The Need for Full Disclosure. In the interest of full and complete disclosure, are there other pending cases that OMECO faces besides a TRO that was already revealed during the pre-bid conference? Should there be adverse ruling/s or judgement/s against OMECO resulting either in project suspension or cancellation, will there be special provisions in the PSA that will protect the winning bidder against losses? 	
	<ul style="list-style-type: none"> Site Selection. Given the short time period between pre-bid conference and bid submission date, putting the onus of site selection on the bidders would give the bidders with familiarity of Occidental Mindoro and with prior knowledge of the OMECO Project with unfair advantage. If we add to the above the other requirements for the bid submission, a month's preparation is not sufficient time. Would TPBAC kindly consider an extension of time for the bid submission, please? 	Kindly refer to the new schedule of bid submission and opening.
TOR No. 26	<ul style="list-style-type: none"> Do we need to have secured land before submitting our bid? 	Yes, through purchase or by lease.
	<ul style="list-style-type: none"> Is there a template for the Certificate of Good Standing/Performance? 	None.
ITB Clause 12.5	<ul style="list-style-type: none"> What is considered a "minor deviation" that could affect the substance of the bid? 	For example, arithmetical corrections.

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ITB Clause 27.2	<ul style="list-style-type: none"> The instruction to bidders states that "notice of Award duly received by the Bidder or its representative personally or sent by registered mail or courier or electronically receipt of which must be confirmed in writing within two (2) days by the Bidder with the LCRB and submitted personally or sent by registered mail or courier or electronically to OMECO." Please clarify if confirmation of receipt of Notice of Award is "calendar" or "working" days. 	Calendar days
	<ul style="list-style-type: none"> Is it possible, to have 1 winner for each area/location thus a total of 3 winners? 	No.
ITB 12.1.1 (e)	<ul style="list-style-type: none"> In folder 1 (Legal Documents Requirements) item e, we are required to submit a valid and updated license such as a COC issued by ERC and a Service Contract/Certificate of Commerciality from DOE. We understand that the Service Contract issued by DOE is for Renewable Energy (RE). Thus, we cannot provide this if our main technology is not RE. If we apply, it will also take a long time. May we clarify if we can submit either a 1) COC issued by ERC or a 2) Service Contract issued by DOE as proof of our valid and updated license? Is the service contract also required to be submitted or either of the 2? Service 	Whatever is applicable as long as it is valid and updated.

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	Contract should be required at least before COD, not upon bid submission considering that only one shall be declared as winning bidder	
	<ul style="list-style-type: none"> Confirm that bidding for only 1 load center is not allowed for the contract years 2022 – 2035? 	Bidders are not allowed to bid for one site only.
ITB Clause 10.5	<ul style="list-style-type: none"> What is the mode of payment for the minutes of the Pre-bid conference? How can we secure the document? 	Cash. Kindly refer to ITB Clause 10.5.
	<ul style="list-style-type: none"> Can we submit PDF (password protected) aside from Excel format (password protected) of the Financial Proposal? 	Yes
	<ul style="list-style-type: none"> OMECO must provide the specifications for monitoring system it desires? 	It's the sole discretion of the Winning Bidder to decide which system will be used by OMECO in monitoring its 24/7 plant status and output.
PSA Section 13.4	<ul style="list-style-type: none"> We suggest a revision of this provision to include both planned and forced outages due to both parties. 	We will maintain the provision. However, the guidelines on the notification of the distribution line planned outages will be included in the dispatch protocol.
	<ul style="list-style-type: none"> Kindly provide the draft contents of the Schedules. 	Yes, we will provide the contents of the Schedules.
PSA Section 11.1.3	<ul style="list-style-type: none"> Considering that the basis of the payment of the Buyer is the rate schedule in the ERC approved PSA, does this mean that the entire billing of the Seller shall be paid by OMECO and thus there will be no more subsidy availment? What is the measure of cost of foregone revenue and surcharge? 	We will provide the contents of the Schedule A of PSA.

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PSA Section 13	<ul style="list-style-type: none"> How will the CRF be reduced? Please provide illustration for the computation of CRF reduction. How will the kilowatt-hour forgone be computed? 	The computation shall be shown in Schedule A of the PSA.
PSA Section 15.1.2	<ul style="list-style-type: none"> This is inconsistent with that provided under the Terms of Reference where the unit is PHP/kW/month. Please provide clarity on this matter. 	We will provide the sample computation in Schedule A indicated in Section 15.1 PSA.
PSA Section 11.1, in relation to Schedule F	<ul style="list-style-type: none"> Please provide of the contents of Schedule F on Demand Requirement and Associated Energy. 	We will provide the contents of Schedule F.
PSA Section 11.1.2	<ul style="list-style-type: none"> As provided in the Terms of Reference (TOR), both the Capital Recovery Fees and Fixed Operations and Maintenance Fees are expressed in Peso per kilowatt per month (PhP/kW/month). There is inconsistency in the TOR and the draft PSA. What is the purpose of translating the Capital Recovery Fees to Peso per kilowatt-hour (PhP/kWh)? We suggest to rephrase this provision, as follows: The Seller shall charge the Contracted Capacity Fees based on the contracted capacity not on the actual available capacity. 	The purpose of this is to compute the TCGR.
PSA Section 11.1.3	<ul style="list-style-type: none"> What is the purpose of translating the rate under the PSA to Peso per kilowatt-hour? 	To determine the TCGR for the computation of Peso per kilowatt-hour.
PSA Section 12.3	<ul style="list-style-type: none"> We suggest that the basis of Commissioning Energy Fees instead be the SAGR, so that the winning bidder 	No, the Commissioning fee shall be in accordance with PSA Section 12.3.

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	will not have to wait for the ERC's provisional or final approval of the PSA.	
	<ul style="list-style-type: none"> • 1. Kindly clarify the allocation of costs and revenues in this case. 2. The capacity in excess of the contracted capacity should be for the sole account of the Seller. • The deducted capacity from the contracted capacity must be solely managed by the Buyer. • In the event that the Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid, and the Subsidy from UC-ME is removed, <ul style="list-style-type: none"> a. Will OMECO continue to pay the TCGR in the contract? How would this actually work? What actions would OMECO take to ensure that it will continue to pay the TGCR rate to the winning bidder? b. What is the premise by, "the Parties shall negotiate to optimize the Contracted Capacity" • In the event that the Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid – The contracted capacity should be respected (sanctity of the contract) for the unserved portion of the contract period. • In the event that the 	We will enter into Risk Mitigation Agreement subject to policy and regulations to be issued by DOE and ERC in the event of interconnection.

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	<p>Mindoro Island Grid is interconnected to the Luzon Grid or Visayas Grid – The contracted capacity should be respected (sanctity of the contract) for the unserved portion of the contract period. Seller agrees to enter into an ancillary contract in the event of the main grid connection as long as we can still reasonably recover our investment which is premised on the terms of the bid.</p> <ul style="list-style-type: none"> • "In the event that Mindoro Island grid is interconnected to the Luzon or Visayas Grid, Parties shall negotiate to optimize the Contracted Capacity in the Electricity Market.... WESM, bilateral contracting... and Ancillary services" Please clarify who will cover/gain the difference? In case the WESM price is lower compared to the agreed tariff and vice versa? • The terms of reference states that "in the event that the Mindoro Island Grid is interconnected to the Luzon or Visayas Grid and the Subsidy form UCME is removed, the Parties shall negotiate to optimize the Contracted Capacity in the Electricity Market including WESM." Does this mean possible cancellation of PSA (similar to item 25 of the terms of reference)? May we clarify what you mean 	

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	<p>by optimize?</p> <ul style="list-style-type: none"> • We will agree on the provision 11.2.1 provided that the Buyer's investment will not be affected. • Please clarify how this will affect the contract? If now connected to the grid is there an intent to reduce cost, capacity or contract duration? (this will be acceptable of under the RCOA scheme) • If the contracted capacity will be reduced due to RCOA? How are we protected as IPP? Can we modify the PSA to update the price? • About the second issue po na naraise ko, 'yon naman po 'yong tungkol sa when the interconnection happens ano po ang ahh mabibigay na assurance naman on the part of the recovery of the investment of the Winning Bidder, if something happens in five years and we will be projecting this for fifteen years, papano po 'yon sir? 	
	<ul style="list-style-type: none"> • What will happen if DOE did not grant the winning bidder to be classified as project under EO 30? 	Adopt the normal procedure.
	<ul style="list-style-type: none"> • If there will be two or more power providers, how will the reduction in the Buyer's capacity and energy requirements be shared by the power providers? 	Not related to this bidding.
	<ul style="list-style-type: none"> • We propose amending section 11.1.4 to reflect our 	We will maintain the provision.

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	<p>proposal to respect the sanctity of contract and to include recovery mechanisms through an ancillary contract.</p> <ul style="list-style-type: none"> • The provisions under 13.3, 13.4 and 13.5 are irrelevant given that there will be no allocation for outage allowance. Please clarify. • We suggest to rephrase this provision, as follows: The Seller shall supply the demand and energy requirements of the Buyer both in Interim Demand Requirements and New Generating Capacity set out in Schedule F subject to the terms and conditions in this Agreement. • We suggest the revision of this Section 13.2. for clarity and avoidance of doubt. • We suggest the deletion of this section. The PSA is the final product of all the documents listed in Section 1. To incorporate those documents by reference will create confusion and possible conflict. Moreover, this Section is inconsistent with the Entire Agreement clause under Section 32.4. • Can the 5% amount be lowered? In addition, we prefer Performance Security in the form of Insurance Bond or Surety Bond. 	
PSA Section 14.5	<ul style="list-style-type: none"> • Can we confirm that the Seller will be paid the fixed components of the tariff for 	Yes.

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	the total contracted capacity even if the Buyer does not dispatch this?	
	<ul style="list-style-type: none"> In the event that the Mindoro Island Grid is inter connected to the Luzon or Visayas Grid and a contestable customer choose to be supplied by other RES the Contracted Capacity shall be reduce. Any indication as to timeline of interconnection with the main grid? 	No timeline yet.
PSA Section 30.2	<ul style="list-style-type: none"> The Risk Mitigation Agreement should be entered into by the parties prior to the filing of ERC application for approval of the PSA. 	Yes.
	<ul style="list-style-type: none"> In view of the statement in Section 20.1.1, we propose the deletion of Section 19.5.3.2, for consistency and clarity. 	There's no need to delete 19.5.3.2 as the provision only refers to liquidated damages and how it is computed. On the other hand, section 20.1.1 refers to damages other than liquidated damages.
PSA Section 24.2	<ul style="list-style-type: none"> In as much as some of the Confidential Information may be commercially sensitive on the part of the Winning Bidder, we propose that its prior written consent be secured before such Confidential Information may be disclosed to the identified persons in this Section. 	Prior written consent of the Seller is not necessary for the submission of documents to the government agencies mentioned. Likewise, consent of the seller is not necessary if the information or documents will be given to legal counsel.
	<ul style="list-style-type: none"> In the event that OMECO-ORMECO interconnection loop is completed (expected end 2020?), is OMECO prepared to settle imbalances between generation and consumption in the Mindoro grid? 	For further clarification with the Bidder.

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	<ul style="list-style-type: none"> In case there will be new power provider, the Seller shall be prioritized in the order of payment over the new provider. 	We can pay both power providers.
	<ul style="list-style-type: none"> Please clarify what is meant by the EC should not be made to shoulder incremental difference? 	The buyer shall only pay what is approved by the ERC.
	<ul style="list-style-type: none"> Can we terminate earlier the interim power supply agreement in case the new permanent generating capacity is available before the expiration of the interim power supply? The winning bidder shall start to deliver and operate an interim demand requirement on 25 March 2020 either through rentals or modular generating units until 25 March 2022 wherein the winning bidder begins its regular operation. Can the new generating plants commence operation earlier than 2022? 	We will follow the schedule.
	<ul style="list-style-type: none"> Sir if there will be a delay in permits, we did not have enough time for two years, 'yon po bang interim power supply natin can be extended? Let's say for example it's beyond our control po nagkaron ng delay on our permit issuance? 	Kindly refer to Section 9.3.1 of PSA.
	<ul style="list-style-type: none"> On the ERC Approval, are we speaking or Final Approval or just Provisional Authority and/or Interim Relief? 	Provisional Authority is allowed.
	<ul style="list-style-type: none"> Please define/enumerate instances of Force Majeure. 	Kindly refer to PSA Section 29 (Force Majeure).

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	<ul style="list-style-type: none"> Please define Force Majeure that will allow non penalty for the Power Supplier not being able to deliver power. 	
	<ul style="list-style-type: none"> Are we allowed to provide comments/changes in the PSA? Such as expanding the coverage of Force Majeure and/or Excused Delay Events thus extending the COD? 	Yes
	<ul style="list-style-type: none"> How are the outages deducted from the CRF? 	Kindly refer to PSA Section 13.2.

This Bid Bulletin No. 04, Series of 2019 shall form part of the Bidding Documents. Any provisions in the Bidding Documents inconsistent herewith is hereby amended, modified and superseded accordingly.

For information of all concerned.

FOR THE TPBAC:


CELSO D. GARCIA
TPBAC Chairman