

SUPPLEMENTAL/BID BULLETIN NO. 3  
 COMPETITIVE SELECTION PROCESS  
 SUBIC ENERZONE CORPORATION

MATTERS ARISING FROM THE PRE-BID CONFERENCE

This Supplemental/Bid Bulletin is being issued to address the matters arising from the Pre-Bid Conferences last December 21, 2020 and January 15, 2021; and Price Evaluation Briefing last January 8, 2021. The following will be made an integral part of the Bid Documents.

Item	Bid Document & Section	Amendment/Clarification/Instruction
<b>CLARIFICATION</b>		
1	Bid Document Section 4 - Minimum Supply Requirement Required Capacity	<p>If only one bidder wins the 5MW supply for March 26, 2021 and December 26,2021, subic enerzone will enter into a 10MW contract with different commencement dates.</p> <p>In the event that two bidders will win 5MW each, subic enerzone will execute PSA with the respective winning Bidders.</p> <p>In addition, if the winning bidder for March 26, 2021 only submits a bid of 5MW, the 2nd lower bidder will win the 5MW contract for December 26, 2021 if the latter submitted a bid for 10MW for March 26, 2021. Furthermore, it is understood that a Bidder bids for the supply for March 26 and December 26, 2020 if it submits a bid of 10MW.</p>
	Bid Document Section 4 - Minimum Supply Requirement Price Cap	Subic enerzone’s President and COO will communicate the price cap in a sealed envelope through the Secretariat before the opening of bids. It will remain undisclosed until there are two bidders qualified for Bid Procedure item “n”.
	Bid Document Section 4 - Minimum Supply Requirement Evaluation of Tariff	<p>Bids will be evaluated based on the following:</p> <ol style="list-style-type: none"> <li>1. Levelized Cost of Energy (LCOE) for the Generation Rate at 100% load factor</li> <li>2. Line Rental</li> <li>3. Replacement Cost</li> </ol>

		4. Other Taxes 5. Discount/s
	Bid Documents Annex "8" - Bids	Corporate Secretary or, in the case of a Partnership, an equivalent officer duly authorized by a resolution of the board of directors or partners, may certify the documents requiring certification in Annex "8" except for the Final Generator Nodal Ex-Ante Prices which will require IEMOP's certification.
	Bid Documents and PSA	<p>A Partnership duly registered in the Securities and Exchange Commission is allowed to participate in the CSP. Reference to Corporation or Company will be revised if the winning bidder is a Partnership.</p> <p>An Administrator of a plant output is also allowed to participate in the CSP. The recitals in the PSA will be revised accordingly in the event that a Partnership or Administrator secures the contract.</p> <p>Further, Articles of Partnership and By-Laws shall be submitted in lieu of Articles of Incorporation and By-Laws.</p> <p>Furthermore, the Provisional Authority to Operate (PAO) in lieu of a COC and the Generation Company Management Report (GCMR) for item "e" of the Second Bid Envelope.</p>
	PSA Article 5.3.1 - Performance Security	The Performance Security in the PSA is for a 10MW contract. The amount will be adjusted proportionately if subic enerzone signs a PSA for a 5MW contract.
<b>AMENDMENT</b>		
1	Bid Document Section 3 - Bid Security	Validity of Bid Security is revised to May 25, 2021 from December 21, 2021.
2	Bid Document Section 3 - Annual Maximum Energy	Unforced outage is replaced with Scheduled Outage.
3	Bid Documents Annex "8" - Bids 2. First Bid Envelope, Item c	Correction of reference from Annex "6" to Annex "9".

4	Bid Document Section 9 - Bid Procedures	Corrected the typographical error. Item “o” now points to items (g) and (h) of Annex “8”
5	Bid Document Annex “3” - Form of Bid Security	3rd paragraph of the Form of Bid Security is revised and will read as:  The Drawing Certificate shall be signed by a duly authorized representative of the Beneficiary attesting to the fact that the Applicant has failed to perform its obligations to <b><i>under the Beneficiary’s Bidding Procedures and such failure warrants a forfeiture of the Bid Security under the Bidding Procedures, or violated any of the Bidding Procedures in the Bidding for the Supply of 10MW to Subic Enerzone Corporation and such violation warrants a forfeiture of the Bid Security under the Bidding Procedures (“Bid Security Drawing Event”).</i></b> The Beneficiary’s certification in the Drawing Certificate shall be final and conclusive.
	Bid Documents Annex “9” - Verification of Bid Submission	3rd item of the Verification of Bid Submission - Form is revised and will read as:  I hereby give consent and give authority to the subic enerzone Third Party Bids and Awards Committee (“TPBAC”), to verify the authenticity and correctness, of any or all of the documents and statements submitted herein; and that any misrepresentation or false statements made therein shall be ground for outright disqualification and/or ineligibility of the Company from the Bidding.
	PSA Article 5.3.3 - Performance Security	Number of days to replenish or to issue a Performance Security increased to five (5) working Days from three (3) Days.
	PSA Article 7.1 - Supply of Capacity and Energy	The Supplier shall make Contract Capacity available and Deliver Associated Energy to the Customer from the Commencement Date until the end of the Contract Period, at the Delivery Point specified in item 3 of Schedule 3 (Conditions), and at the Contract Price specified in Schedule 7.1 (Rates Schedule); provided, that the Supplier may (subject to Customer’s right to procure Replacement Power pursuant to Articles 7.9 and 7.10 of this Agreement) Deliver Replacement Power to the Customer from other sources (including the WESM) at the Contract Price, and any such

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		Replacement Power shall be deemed Delivered from the Plant; <b>provided further, that provision of Replacement Power shall be subject to Section 8.3.</b> Under no circumstance shall this provision be construed as preventing or inhibiting the Customer from procuring power directly from the WESM.
	PSA Article 7.7.1 item (a) - Supply of Capacity and Energy	a. assign, transfer, designate, delegate or allocate (collectively in this context, "Transfer") to any <b>Affiliate of the Customer</b> , its rights and obligations to purchase and receive such portion of the Contract Capacity that is no longer required by the Customer as a result of the issuance or implementation of the policies, rules and regulations contemplated under Article 7.7, <b>provided, that, if the Transfer is to a third party that is not an Affiliate of the Customer, Supplier's consent shall be obtained, which the Supplier shall not unreasonably withhold;</b> or
	PSA Article 8.3 - Outages	The Supplier shall provide the Customer with Replacement Power <b>under the following conditions:</b>
	PSA Articles 8.4.1 and 8.4.2 - Outages	8.4.1 Within fifteen (15) days after the submission to the System Operator of the Sellers Annual Maintenance Plan for the succeeding calendar year (the "Annual Maintenance Plan"), and not later than one (1) month prior to the end of every Contract Year, the Supplier shall inform the Customer of its Scheduled Outages. In case of any revisions to the Annual Maintenance Plan approved or initiated by the System Operator, the Supplier shall keep the Customer informed thereof immediately, but in no case less than sixty (60) Days prior to the start of such revised Scheduled Outage.  8.4.2 In case of Scheduled Outages other than those in the Annual Maintenance Plan, the Supplier shall: (i) notify the Customer in writing at least fifteen (15) Days prior to notifying the System Operator; and (ii) comply with the requirements of the System Operator.
	PSA Article 9.1.3 - Billing and Payment of Fees	The Customer may, at its option, <b>request the Supplier to</b> apply any amounts then due and payable and/or creditable by the Supplier to the Customer (in each case, whether under this Agreement or otherwise) in the reduction of any amounts owed by the Customer to the Supplier, <b>through a</b>

		<i>credit memorandum.</i>
	PSA Article 9.2 item (c) - Discounts	the Customer pays the Billing Statement in full on or before <b>tenth (10th) Day</b> following the <b>receipt of the Billing Statement.</b>
	PSA Article 9.3 - Overdue Account	This is an additional provision.  9.3.1 In the event that the Customer fails to pay the Billing Statement on or before the Payment Date, the Customer shall pay a penalty of one percent (1% ) per month on the unpaid amount from the date it is due until the date payment is received by the Supplier, provided, that, the Supplier shall have complied with Article 9.1.1.
	PSA Article 13.3.2 - Effect of Force Majeure	Additional provision to clarify the effect of FM on the customers of subic enerzone.  13.3.2 If an event of Force Majeure prevents the Supplier from Delivering the Contract Capacity and Associated Energy (or a portion thereof) to the Customer, the applicable provisions of Article 8.3.2 shall apply.  <b><i>If any event of Force Majeure prevents the Customer from taking Delivery of the Contract Capacity and Associated Energy (or a portion thereof) from the Supplier, or any event of Force Majeure reduces the demand for energy of the Customer, the Customer may request for a temporary reduction in the Contract Capacity, and the Supplier may sell such capacity and energy to third parties, provided, the Supplier shall immediately recommence sales to the Customer following discontinuance of such event of Force Majeure affecting the Customer upon an hour prior written notice.</i></b>
	PSA Article 15.2 items (e) and (f) - REPRESENTATIONS, WARRANTIES AND COVENANTS	Additional provisions to reflect mutual representation and warranties.  (e) It is a direct WESM Member of good standing; and  (f) There are no actions, suits or proceedings by or before any court, arbitral tribunal, administrative body or other judicial or quasi-judicial authority that are pending or threatened against it that if determined adversely against it could

		materially and adversely affect its ability to perform its obligations under this Agreement.
	PSA Article 17.3.5 - Remedies for Event of Default	17.3.5 In the event that the Customer Event of Default continues unremedied upon the expiration of the relevant Curing Period, the Supplier <b>may, at its option, terminate this Agreement in accordance with Article 17.4, and in case the Customer Event of Default falls under Article 17.2 (f), the Customer shall, within ten (10) Days from such termination, pay the Supplier an amount equivalent to Php15,000,000.00.</b> The remedies set out in Articles 17.3.3, 17.3.5 and 17.4 are the exclusive remedies of the Supplier in cases of a Customer Event of Default.  <i>Note that the amount will be reduced proportionately if the Contracted Quantity is 5MW.</i>
	PSA Article 24.1 - Assignment or Transfer	24.1 Except as otherwise provided under this Agreement, neither Party shall assign or transfer all or any part of its rights, benefits or obligations hereunder without the prior written consent of the other Party, <b>provided, that, such written consent shall not be unreasonably withheld.</b>
	PSA Schedule 1.1 - Definition	Further definition of outage:  "Allowable Forced Outage Days" means [•] Days <b>or its equivalent number of hours.</b>  "Allowable Scheduled Outage Days" means [•] Days <b>or its equivalent number of hours.</b>
	PSA Schedule 7.3 - Nomination Procedures	Additional Protocol for Replacement Power:  The Customer shall be notified by the Seller of its offer for Replacement Power through writing or email in the event of outages. Customer, not more than 3 days from the receipt of the offer, shall notify the Supplier on whether or not it will accept the offer for Replacement Power.
<b>INSTRUCTION</b>		
1	Bid Document Annex "3" - Bid Security	List of preferred banks for the Irrevocable Standby Letter of Credit :

		<p><b>FOREIGN ISSUING BANKS</b></p> <p>AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, MANILA BRANCH (ANZ)            CTBC BANK (PHILIPPINES) CORP. (FORMERLY CHINATRUST)            DEUTSCHE BANK AG, MANILA BRANCH            ING BANK N.V. MANILA BRANCH (ING)            MIZUHO BANK, LTD. MANILA BRANCH            MUFG BANK LTD (FORMERLY BANK OF TOKYO MITSUBISHI – MITSUBISHI UFJ, LTD. MANILA (BTMU)            STANDARD CHARTERED BANK (SCB)            THE HONGKONG AND SHANGHAI BANKING CORPORATION (HSBC)</p> <p><b>LOCAL ISSUING BANKS</b></p> <p>BDO UNIBANK INC (BDO)            BANK OF THE PHILIPPINE ISLANDS (BPI)            CHINA BANKING CORPORATION (CBC)            DEVELOPMENT BANK OF THE PHILIPPINES (DBP)            LANDBANK OF THE PHILIPPINES (LBP)            METROPOLITAN BANK AND TRUST COMPANY (MBTC)            PHILIPPINE NATIONAL BANK (PNB)            RIZAL COMMERCIAL BANKING CORPORATION (RCBC)            SECURITY BANK CORPORATION (SBC)            UNION BANK OF THE PHILIPPINES (UBP)</p> <p>For Manager’s Check, Bidders may deposit the amount in the amount in the account below:</p> <p>Company Name: SUBIC ENERZONE CORPORATION            Bank: UNIONBANK OF THE PHILIPPINES            Branch of account: Subic Branch            Account # : 0014 2000 2184            SWIFT CODE: UBPHPHMM</p> <p>Subic Enerzone Corporation shall only accept cash, SBLC and Managers check for the Bid Security and Performance Security.</p>
2	Bid Documents Annex “8” - Bids	<p>Bidders are required to indicate their company name and title of the envelope. The titles of the envelopes are the “First Bid Envelope” and “Second Bid Envelope”.</p> <p>Further, for the protection of the Bidders, enclose the “Proposed Tariff and Basis of Proposed Tariff” and “Discount/s offer and scheme of availment” in an envelope. Hence, inside the Second Bid Envelope is another sealed envelope containing the “Proposed Tariff and Basis of Proposed Tariff” and “Discount/s offer and scheme of availment”.</p>
	Bid Documents	Certification from IEMOP shall be presented using a simple

	<p>Annex "8" - Bids 2. Second Bid Envelope, Item e.iii</p>	<p>average of the Final Generator Nodal Ex-Ante Prices on a billing period basis.</p> <p>For the purpose of evaluating the Line Rental Charges, the Final Generator Nodal Ex-Ante Prices shall be in the prescribed format, in excel file.</p> <table border="1" data-bbox="611 571 1348 943"> <thead> <tr> <th>Date</th> <th>Period</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>26/10/2019</td> <td>1</td> <td>2510.1</td> </tr> <tr> <td>26/10/2019</td> <td>2</td> <td>1970.5</td> </tr> <tr> <td>26/10/2019</td> <td>3</td> <td>1899.8</td> </tr> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>26/10/2019</td> <td>24</td> <td>2607.7</td> </tr> </tbody> </table> <p>Bidders are required to place an identification on the USB that its content is the Final Generator Nodal Ex-Ante Prices.</p>	Date	Period	Value	26/10/2019	1	2510.1	26/10/2019	2	1970.5	26/10/2019	3	1899.8	.....	.....	.....	26/10/2019	24	2607.7
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	<p>Bid Documents Annex "8" - Bids 2. Second Bid Envelope, Item g.vi</p>	<p>Sample computation of the proposed tariff and LCOE are required from the Bidders in excel format.</p> <p>Bidders are required to place an identification on the USB that its content is the sample computation of its proposed tariff and LCOE.</p>																		

Please be guided accordingly.

**THIRD PARTY BIDS AND AWARDS COMMITTEE  
SUBIC ENERZONE CORPORATION**

By:



**WARELL KERN SARIO**  
Chairman, TPBAC

January 22, 2021

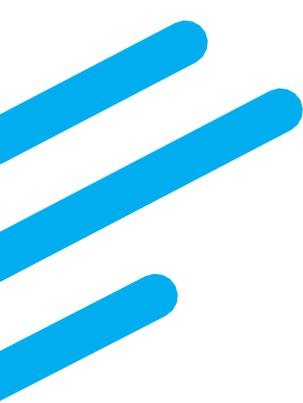
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**ANNEX “a”**

Economic Indices for LCOE Computation

	2021	2022	2023	2024	2025
Philippine CPI	128.23	132.20	136.17	140.25	144.46
US CPI	263.89	269.98	276.18	282.32	288.69
Peso to Dollar Forex	49.2	49.3	49.1	49.4	49.4
Coal \$/MT	57.8	58	58.3	58.5	58.8
Interest Rate	3%	3%	3%	3%	3%



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