

NO	BID DOC	SECTION/ITEM NO	PROVISION/DESCRIPTION	1 st SUBMISSION OF COMMENTS	LUECO BAC RESPONSE	2 nd SUBMISSION OF COMMENTS	LUECO BAC RESPONSE
1	TOR	Item No. 2 Type of Contract	Financial PSA refers to a power supply agreement with the following characteristics: (1) fixed price effective for the duration of the Contract Term; (2) supply is guaranteed for the entire contract term without reference to any physical power plant; and (3) no provision for outage allowance.	Kindly confirm if the definition of a "Financial PSA" as stated in the TOR implies that the supplier assumes full risk for fuel and price volatility throughout the cooperation period, without any pass-through provision aside from the allowable BER escalation rates?	<p>As defined by ERC in Resolution 16, Series of 2023, our interpretation is:</p> <p>Financial Power Supply Agreements (PSAs) are structured to have a fixed tariff for the duration of the contract. This suggests that the supplier bears the risk of fuel price volatility and other market fluctuations, rather than passing these costs directly to consumers.</p> <p>The only allowable adjustment is through the BER escalation rates as provided in the Terms of Reference (TOR).</p>	<p>To ensure our full understanding and accurate compliance with the provisions TOR and the PSA, may we respectfully seek clarification on the following points:</p> <p>1. In the event of significant and unforeseen changes in the fuel supply chain or other economic variables beyond the supplier’s control, would there be a provision (within Article 9 or elsewhere in the PSA) that allows for potential tariff re-opener or relief mechanisms?</p>	<p>A. As a general rule, in case of Force Majeure Event the seller shall not be liable for its obligation EXCEPT there is available supply from another source, SELLER shall continue to supply LUECO at prevailing Generation Rate or WESM Price at LUECO’s Market Trading Node, whichever is lower. SELLER shall guarantee 100% availability of supply at prevailing Generation Rate regardless of source plant’s availability or unavailability. For the avoidance of doubt, the Power Supplier shall not be entitled to claim any of its act or omission as Force Majeure.</p> <p>B. In case of Change in Circumstances under Article 9, Section 9.1, upon due notice from the seller, the Parties shall promptly meet within fourteen (14) days from BUYER’s receipt of SELLER’s notice and seek in</p>

							<p>good faith to come to an agreement on the amount to be paid to SELLER and the manner of payment or reimbursement (which may consist of a lump-sum payment, assumption by BUYER of additional costs, an adjustment to the Total Generation Cost or a combination thereof or such other alternatives as may be acceptable to the Parties “New Charges”, provided that Parties have jointly secured from the ERC Approval.</p>
				<p>If the response is affirmative, is LUECO willing to jointly draft a provision in the PSA that allows exceptions or flexibility for the Seller to make adjustments to the Contract Price under circumstances beyond the Parties’ control?</p>	<p>Please refer to Article 9, Section 9.1 of the PSA.</p>	<p>We have reviewed Article 9, Section 9.1 of the PSA. For our better understanding, may we request your guidance or interpretation on how this provision supports the supplier’s obligation to maintain a fixed tariff despite market fluctuations?</p>	<p>Same answer as letter B above.</p>
2	TOR	Item No. 3 of Technology Source Plant	Supply from Portfolio of Plants covering RPS-Eligible Renewable Plant or blended supply from Conventional Plant and RPS-Eligible renewable plant	Will LUECO consider alternative compliance arrangements if a bidder cannot meet the RPS percentage requirement in the earlier years but commits to ramping up over time?	No. The RPS Rules mandate that a certain percentage of electricity increasing annually must come from an RPS eligible renewable energy sources.	Does the response confirm that the BAC is already negating the option for LUECO to comply with the RPS requirement through RECs provided under Section 5.2 of ERC Resolution No. 12, 2024 even if it could possibly result in having a cheaper generation rate for its consumers?	<p>Yes, since REC cannot be a substitute to actual energy requirement of customers, otherwise we will be supplying 100% Non-RE.</p> <p>Moreover, LUECO is following the priority Compliance Mechanism pursuant to Section 5.3 of ERC</p>

				<p>Will LUECO accept that the bidder shall only provide RECs in the earlier year/s, or instead provide the cumulative RECs needed in the following year?</p>	<p>No. Section 5.3 of ERC Resolution No. 12, Series of 2024 on Priority Compliance Mechanism requires DU’s to prioritize the Compliance Mechanisms specified under Section 5.1 Compliance Mechanisms with Corresponding Energy, to comply with the least-cost sourcing of power supply to meet the minimum RPS requirement.</p> <p>This being the case, LUECO needs to meet the minimum RPS requirement thru the above-mentioned mechanisms and not thru the RECs.</p>	<p>Does this mean that LUECO strictly requires its RE requirements to come from a “physical” RE plant even if the over-all generation rate offer of a bidder using RECs as compliance is the cheapest?</p> <p>Given the ramp-up nature of RE capacity development and the long-term nature of this PSA (2025–2035), will LUECO consider phased or staggered RPS compliance plans, wherein the bidder commits to meeting the RPS threshold via actual energy delivery from renewable sources over a defined timeframe, provided that full compliance is achieved within a reasonable period and does not incur higher costs to consumers?</p> <p>Will LUECO recognize forward contracting arrangements—wherein the bidder enters into firm supply contracts with RE developers (under development or near commissioning) to meet RPS targets in succeeding years—as an acceptable form of compliance,</p>	<p>Resolution No. 12, Series of 2024 wherein REC is set as the last option only when other options have been met. In that case, REC is just to fill in the shortfall.</p> <p>Yes. Please refer to answer above.</p> <p>Yes, provided the minimum RE requirement per contract year under the LCOE Worksheet is met.</p> <p>No. The parties involved under the TOR and the PSA are the seller and the buyer in order to fix accountability. Any supply contract with RE developers by the seller is between the two of them.</p>
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						especially when such arrangements enable long-term least-cost pricing?	
3	TOR	Item No. 5 Required Contracted Energy	Power Supplier shall be responsible for providing for the full energy requirements of LUECO, net of any reduction by reason of the enforcement of Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Distributed Energy Resources (DER), Net-Metering, Self-Generating Facility (SGF) and other future government regulations that will reduce the power supply requirement of LUECO. This is projected to be between 324,804 MWH – 457,076 MWH for over ten years. <i>*Refer to Annex A for Annual Capacity & Energy Estimates</i>	Could LUECO provide guidance on how RCOA, GEOP, DER integration, and other future government regulations will be factored into the actual demand obligations of the supplier under the PSA? In the event of a capacity reduction due to a loss in captive customers, will the reduction be applied proportionally across all suppliers with similar contracts?	It’s the government agencies, specifically the DOE and ERC, that provide the guidelines on the requirements of RCOA, GEOP, DER, etc.	In the event of a capacity reduction due to a loss in captive customers, will the reduction be applied proportionally across all suppliers with similar contracts?	This will not be an issue considering there is only one winning bidder which will supply 100% requirement of LUECO.
4	TOR	Item No. 6 Commencement Date of Supply	September 26, 2025 or upon approval by the ERC of the Provisional Authority to commence supply, whichever is earlier, but to coincide with NGCP Billing every 26th day of the month.	If the ERC approval is delayed beyond September 26, 2025, how will the contract terms and obligations of the parties be affected? Will an automatic extension apply?	Please refer to Item No. 7 of the TOR on Cooperation Period.	Please confirm that LUECO will utilize the full nine (9) contract years whether or not the commencement date is beyond September 26, 2025.	Correction - it is a ten (10) year contract.
5	TOR	Item No. 7 Cooperation Period	Commencement date up to September 25, 2035, unless extended by reason of ERC delay of Approval or any event of extended Force Majeure			Will the BAC consider fixing the end term of the agreement?	Our reply is very clear – up to September 25, 2035 , unless extended by reason of ERC delay of Approval or any event of extended

			during the Cooperation Period, in which case it shall be extended by a period of time for which the performance is excused as a result of the extended Force Majeure event or due to the delay of ERC approval.			<p>Since the terms of reference prescribes a fixed price for the entire duration of the contract, with escalation which may only account for inflation, it may pose a challenge for bidders to arrive at a competitive fixed price given that the term of the agreement is moving.</p> <p>As an alternative, may we suggest allowing either of the following:</p> <ol style="list-style-type: none">1. Indexed price offer2. Add provision for regular review of relevant / prevailing indices and allowing adjustments if needed. <p>The term of the agreement is too long and having a fixed rate poses high risks to suppliers.</p>	<p>Force Majeure during the Cooperation Period.....</p> <p>Please note the difference between Financial Contract and Physical Contract in ERC Res. 16, Series of 2023. Ours is a Financial Contract.</p> <p>These suggestions are not allowed in a Financial Contract.</p>
6	TOR	Item No. 8 Tariff Structure	<p>Base Energy Rate (BER) in Php/kWh subject to the following:</p> <p>For RE Supply:</p> <ul style="list-style-type: none">• 50% maximum of the BER can be escalated at an annual rate not greater than 3.5% beginning on the second contract year• Inclusive of Line Rental and all other market related charges• No VAT	<ol style="list-style-type: none">1. We recognize LUECO’s intent to secure supply for its future RPS compliance in this CSP at the lowest possible cost. In this regard, we would like to request that LUECO consider having separate lots for conventional and RE/RPS supply, as we have observed in other CSPs with which we have participated. We believe that power generators utilizing conventional technology will	<p>One supplier can best optimize the mix of renewable and conventional supply resulting to least cost for the benefit of consumers.</p> <p>Not separating lots for conventional and Renewable Portfolio Standard (RPS) purposes can have several benefits, including:</p> <ol style="list-style-type: none">1. Simplified Management: Combining lots reduces	<ol style="list-style-type: none">1. May we respectfully request confirmation on whether bidders may propose non-uniform or varying escalation factors across contract years (e.g., different escalation rates for each year rather than a fixed annual escalation), provided they remain within the prescribed caps (i.e., 3.5% for RE and 5% for non-RE)? <p>We have observed that the revised LCOE worksheet still appears to apply a uniform escalation rate across the entire Cooperation Period. In light of the BAC’s</p>	<p>Please refer to item no. 4, under IPB, with Bulletin No. 3 posted in LUECO Website.</p>

			<p>For Non-RE Supply:</p> <ul style="list-style-type: none">• 60% maximum of the BER can be escalated at an annual rate not greater than 5% beginning on the second contract year• Inclusive of Line Rental and all other market related charges• Exclusive of VAT <p>Bids shall be evaluated based on Levelized Cost of Electricity (LCOE) <i>after VAT</i>, whenever applicable which shall be derived using the LCOE calculation sheet in accordance with the formula in Annex B. The Bidder’s Proposed Price (for the first Billing Year) and its LCOE are both subject to predetermined “Reserve Prices.</p> <p>Bid VAT Rate shall be the maximum 12% VAT for Non-RE Supply that the Winning Bidder may charge LUECO for any given Billing Month.</p>	<p>be compelled to raise generation rate offers to cover the projected and uncertain costs of renewable energy certificates, which may put consumers at a disadvantage. Conversely, RE suppliers may be unable to participate in the bidding process, as they might not be capable of meeting LUECO's baseload demand requirements.</p>	<p>administrative workload as there is no need to maintain separate records for conventional and RPS specific lots. This makes tracking and reporting more straightforward.</p> <p>2. Cost Savings: Avoiding splitting lots can reduce transaction and administrative costs associated with managing multiple lot types, especially in large portfolios.</p> <p>3. Flexibility: Consolidating lots provides greater flexibility in trading and settlement, allowing the entity to utilize or sell renewable and conventional attributes without being constrained by lot categorization.</p> <p>4. Market Efficiency: It can improve market liquidity by increasing the tradable unit size and reducing complexity, making it easier for buyers and sellers to transact.</p> <p>5. Reduced Risk of Errors: Managing fewer lot types decreases the chances of discrepancies or errors in lot classification, which can lead to compliance or settlement issues.</p>	<p>prior response that “a separate supplemental bid bulletin and revised LCOE Worksheet shall be issued accordingly” to reflect the flexibility of varying escalation rates per Contract Year, we would appreciate clarification on the following:</p> <ul style="list-style-type: none">• Could you kindly confirm whether a further revised LCOE Worksheet will be issued that accurately reflects the allowance for varying escalation rates annually?• If so, may we know the expected release timeline of the updated LCOE Worksheet to help ensure alignment in all bidders’ submissions?	<p>Yes. Please refer to answer above.</p> <p>The updated LCOE Worksheet was released last June 17, 2025. Please check your email.</p>
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				<p>2. Please clarify whether this escalation is automatic and linear each year, or if it requires justification or mutual agreement.</p> <p>Moreover, we respectfully request clarification on the principles and assumptions used to determine these escalation percentages, particularly in the context of a Financial PSA, which - under Article III Sec. 3.v of ERC Resolution No. 16, Series of 2023—must maintain fixed pricing unless the TOR expressly permits economic price adjustments under clearly defined criteria. Thus, we kindly ask for confirmation that these escalation mechanisms fall within such allowable adjustments.</p>	<p>More importantly, separating lots will expose LUECO customers to WESM’s volatile rates.</p> <p>This has been subject for clarification and suggestion coming from interested Bidders to consider varying annual escalation rates not only in an upward adjustment but allows downward adjustment as well.</p> <p>The above suggestion has been considered by the BAC, hence, a separate supplemental bid bulletin and a revised LCOE Worksheet shall be issued accordingly.</p> <p>It does not require justification or mutual agreement.</p> <p>On the Basis for the Escalation Rates</p> <p>The allowable escalation caps were established based on prevailing industry practices, taking into consideration the following factors:</p> <ul style="list-style-type: none">○ Historical inflation trends and cost behavior of RE and non-RE generation technologies;○ The need to strike a balance between price	<p>2. We would also appreciate any additional insights LUECO may be able to provide on the methodology or benchmarks used in setting the Reserve Prices for the BER and LCOE, especially in the context of fixed-price Financial PSAs that impose full supply risk on the Seller.</p>	<p>The Reserve Prices will be based on the historical and current data from ERC approved rates and DOE latest list of Power Plants in Luzon.</p>
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				<div>3. Further, we respectfully request confirmation whether it is allowed to have varying escalation factors per Contract Year. We note from</div>	<div>stability for consumers and financial viability for suppliers;<ul style="list-style-type: none">○ Regulatory guidance under ERC Resolution No. 16, Series of 2023, particularly Article III, Section 3.v, which allows for economic price adjustments in a Financial PSA if expressly stated in the TOR and defined under clear and transparent criteria.Regulatory Compliance<p>In line with the aforementioned ERC Resolution, the inclusion of defined escalation caps within the TOR complies with the requirement for pre-disclosed and clearly justified economic adjustments in Financial PSAs. The CSP-BAC confirms that these mechanisms fall within the allowable scope of adjustments contemplated under ERC regulations.</p></div> <div>Thank you. BAC is considering your suggestion. We'll issue a revised LCOE Worksheet in the next bid bulletin.</div>		
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				<p>the LCOE worksheet, a fixed escalation factor appears to apply uniformly throughout the entire Contract Term on an annual basis.</p> <p>4. We would appreciate clarification on whether costs associated with Interconnection, Transmission, Metering Charges, Line Rental fees, and Market Fees are expected to be included in our bid price offer or treated as pass-through charges. It's worth noting that these costs are charged by NGCP and IEMOP and not by a generator.</p> <p>5. Kindly confirm if LUECO will consider the possibility of the Line Rental fee as pass-through charges? This approach could help ensure that the Bidder's proposal remains unaffected by any uncertainties or inaccuracies that might arise during the modeling of the rental fees</p>	<p>Please refer to Article 6, Section 6.1 of the PSA on Responsibility for Taxes, Fees and Costs.</p> <p>Rationale for this provision: To prevent volatility in electricity rates due to volatility caused by associated charges.</p> <p>The Bidder is more in the position to determine the associated charges based on their historical data and forecasting software.</p> <p>Please refer to the above comment on Q3.</p>		
7	TOR	Item No. 8 Tariff Structure				For Bidders that have separate plants to supply the Conventional and RPS	All plants offered in the Bidder's Expression of Interest needs to be

						requirements, please confirm that only the plant for conventional requirement is required to submit the Qualification Documents and Technical Proposal for this purpose.	accompanied with Technical and Operational Capability documents as specified in the Appendix D-1 of ERC Res. 16, Series of 2023.
8	TOR	Item No. 8 Tariff Structure	The Bidder’s Proposed Price (for the first Billing Year) and its LCOE are both subject to pre-determined “Reserve Prices.			For clarity, what is the composition of the "Reserve Prices"?	Please refer to answer on Q6, number 2.
9	TOR	Item No. 9 Prompt Payment Discount	Equivalent to 3% of the Electricity Fee upon full payment within ten (10) days from receipt of Final Power Bill.	<p>1. Kindly confirm whether this discount is applicable across all supply months, regardless of consumption volume, and whether the discount will be reflected in the succeeding billing month or as a deduction in the same billing cycle.</p> <p>2. Kindly provide the definition of Electricity Fee.</p> <p>3. Please also confirm whether LUECO will provide merit on its evaluation should the PPD period extend beyond the ten (10) day standard requirement under the TOR.</p>	<p>Yes, the discount is applicable across all supply months and will be reflected in the succeeding billing month through a separate credit memo. Please refer to Article 5 Fees, Sections 5.2.2 and 5.3 of the PSA.</p> <p>Thank you for your observation. This should be Total Generation Cost not Electricity Fee. We will reflect the change in the next bid bulletin.</p> <p>Definitely, any extension of the PPD period will provide merit on the part of LUECO because it simply means that the period within which to pay its bill will also be extended. However, over the last sixteen (16) years, LUECO has been</p>	<p>We note from your response from a query of another bidder that any additional discount is welcome.</p> <p>Please confirm whether the additional discount will be part of the BAC’s evaluation. If so, we would appreciate it if you could provide the corresponding evaluation metrics or criteria.</p>	<p>You may incorporate your additional discount in the BER.</p>

					Any additional discount is most welcome.		
10	TOR	Item No. 9 Prompt Payment Discount	Equivalent to 3% of the Electricity Fee upon full payment within ten (10) days from receipt of Final Power Bill.			If Bidder offer other form of discounts, will it be part of the evaluation?	Yes, if it affects the rate.
11	TOR	Item No. 11 Replacement Power	Replacement Power during Planned, Unplanned, and Force Majeure Outages of the source plants shall solely be for the account of the Power Supplier at BER or WESM Price at LUECO’s metering points, whichever is lower.	We respectfully request confirmation that any such substitute energy delivered <u>during planned and unplanned outage</u> shall be billed at the Contracted Generation Rate (i.e., the BER), in accordance with the principle of fixed pricing under a Financial PSA.	Please don’t forget the clause “whichever is lower”.	<p>We would like to confirm that the clause “<i>whichever is lower</i>” only applies to FM Outages and not Planned and Unplanned Outages as a Financial PSA already guarantees 100% availability. This is also aligned with Item No. 10, second paragraph of the TOR which provides that “<i>In the case of Force Majeure Event affecting Power Supplier, Power Supplier shall continue to supply LUECO at BER or WESM Price at LUECO’s Metering points, whichever is lower.</i>”</p> <p>Further, we are deeply concerned with the requirement of having to provide supply to LUECO even under the condition of FM given that such an event is already considered adverse to the Supplier. While we note that the supply may still be available, we would like to request to be granted with pricing flexibility in terms of providing the replacement power.</p> <p>Hence, we propose the following revision for item 11-Replacement Power- of the TOR:</p>	<p>Please refer to Item No. 11 of TOR and second to the last paragraph on Section 8.2 of PSA.</p> <p>Please refer to answer on Q6, number 2.</p>

						Replacement Power during Planned, Unplanned, and Force Majeure Outages of the source plants shall solely be for the account of the Power Supplier, provided, that the rate to be charged for the procurement of the alternative supply shall be the actual price of the alternative supply .	
12	TOR	Item No. 11 Replacement Power				Sual Power Inc. ("SPI") hereby suggests and maintains that the cost of providing the same should be the lower cost between the contract price under the PSA and the actual cost of replacement power from any other source(s). The position taken by SPI is guided by the intention not to limit the sources where RP can be secured / obtained under the circumstances and in accordance with the prevailing guidelines issued by the Energy Regulatory Commission.	<p>Noted, thank you for your suggestion. Items No. 10 and 11 will have to be amended as follows:</p> <p>For Item No. 10 In the case of Force Majeure Event affecting Power Supplier, Power Supplier shall continue to supply LUECO at BER, other sources' or WESM Price at LUECO's Metering points, whichever is lower.</p> <p>For Item No. 11 Replacement Power during Planned, Unplanned, and Force Majeure Outages of the source plants shall solely be for the account of the Power Supplier at BER, other sources' or WESM Price at LUECO's metering points, whichever is lower.</p>
13	TOR	Item No. 15 Eligibility Requirements of Power Supplier	Must have: <ul style="list-style-type: none">• List of projects undertaken over the last ten (10) years;• List of electricity generation plants that the Bidder has	1. In the event that a bidder does not currently have its own renewable energy portfolio, but rather have an ongoing negotiations with a third-party	Please be reminded that as per ERC Resolution No. 12, Series of 2024, Sections 5.1 and 5.3, the provision of the RECs by the Supplier is the last resort,	1. Does the response confirm that the BAC is already negating the option for LUECO to comply with the RPS requirement through RECs provided under Section 5.2 of ERC Resolution No.	Please refer to answer on Q2.

			<p>operated for the last five (5) years</p> <ul style="list-style-type: none">• a valid Certificate of Compliance (COC), and/or or documented Power Supply Agreement (PSA) for/with the intended source plant/s; for management of Plant, Independent Power Producer Administration Agreement (IPPAA)• Proof of/Documentation on track record for the last five (5) years of power plants.• sufficient available capacity to supply LUECO's requirements from Commencement date, to be evidenced by a notarized certification in the form and substance provided together with this TOR.• Proof of direct WESM Membership.• RPS-Eligibility for Renewable Energy Plant	<p>RE supplier—and is willing to assume the risk and commit to providing the required Renewable Energy Certificates (RECs) even if the negotiation fails or the RE supply cannot commence in the first year—what would be the acceptable eligibility requirements for the RE portion under such circumstances?</p> <p>2. In lieu of the COC, the Provisional Authority to Operate (PAO) or any equivalent certification as proof of application for issuance of COC</p>	<p>meaning, just to fill in the shortfall and not to replace the required RE supply. The total lack of RE requirement will have an impact on the electricity rates imposable on the consumers.</p> <p>The rationale behind the required RE supply is precisely to offer the least cost of electricity to the consumers.</p> <p>As a relief, the required minimum physical RE supply, has to be complied with every contract year, and not necessarily on a monthly basis.</p> <p>Yes, it will be accepted.</p>	<p>12, 2024 even if it could possibly result in having a cheaper generation rate for its consumers?</p> <p>We acknowledge the provisions under ERC Resolution No. 12, Series of 2024, particularly Sections 5.1 and 5.3. However, to allow participation of non-renewable generators that currently do not have a portfolio of renewable energy (RE) plants, may we respectfully clarify if the BAC would consider a bidder without an existing RE portfolio as eligible—provided that such bidder is willing to assume the risk and formally commit to supplying the required Renewable Energy and/or Renewable Energy Certificates (RECs)?</p> <p>Ultimately, the bidding will be awarded to the bidder offering the least cost. We hope this consideration will allow more participants to competitively and responsibly meet the requirements.</p> <p>In this regard, what would be acceptable eligibility requirements for the RE portion under such circumstances?</p> <p>2. As for this requirement: a valid Certificate of Compliance (COC), and/or or documented Power Supply Agreement (PSA) for/with the intended source plant/s; for management of Plant,</p>	<p>Yes, in supplying required RE but not REC.</p>
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				from the ERC should be accepted by LUECO in compliance with the requirement. These documents have the same effect as a valid COC.		<p>Independent Power Producer Administration Agreement (IPPAA)</p> <p>May we clarify if a bidder may submit a redacted offer sheet from a Renewable Energy (RE) Eligible Plant—intended to be declared as the RE source for this bid submission—in lieu of the above documents?</p> <p>3. Further, are all the listed requirements expected to be provided for each nominated plant RE and non-RE? Alternatively, may the bidder submit the required documents for the primary nominated plant only?</p>	<p>A valid COC from ERC of the RE Eligible Plant is required under ERC Res. 17, Series of 2023.</p> <p>Since ours is a Financial Contract, LUECO is not limited to only one nominated plant for its evaluation. ERC requires a portfolio of plants to be evaluated.</p>
14	TOR	Item No. 16 Bid Security	The amount must be equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the Bidder in the form of an Irrevocable Standby Letter of Credit. (as per ERC Res. 16, Series of 2023)	<p>Please confirm the following considerations for the computation:</p> <p>1. Energy demand to be used</p> <p>2. Does the bid price offer include VAT?</p>	<p>Yes, energy requirement. (Please refer to Section 10 letter (c) Appendix B of ERC Resolution No. 16, Series of 2023)</p> <p>Yes, inclusive of VAT in the case of non-RE.</p>	<p>We note that Bid Security is already computed in the bid form, in this case kindly confirm if the bidder is allowed to submit bid security higher than the computed amount.</p>	<p>The computation of Bid Security is embodied in ERC Res. 16, Series of 2023 and not from LUECO.</p>
15	TOR	Item No. 18 Penalty for non-supply or shortfall due to unavailability of power				<p>SPI suggests and maintains that power supplier must not be penalized if the event of non-supply or shortfall is due to the inability on the part of LUECO to receive power/energy due to transmission line failure. While the PSA is in the nature of a “guaranteed supply”</p>	<p>Yes, following the simple logic that the buyer can’t receive power/energy due to Transmission Line failure.</p>

16	TOR	Annex A	<div>ANNEX A</div> <div>SCHEDULE OF ANNUAL DEMAND AND ENERGY REQUIREMENTS</div> <table><tr><th>CONTRACT PERIOD</th><th>MINIMUM DEMAND (MW)</th><th>MAXIMUM DEMAND (MW)</th><th>TOTAL ENERGY (MWH)</th><th>*PERCENTAGE OF TOTAL RENEWABLE ENERGY from RPS-eligible Plant</th></tr><tr><td>September 26, 2025 - September 25, 2026</td><td>44.48</td><td>63.64</td><td>324,904</td><td>16.42%</td></tr><tr><td>September 26, 2026 - September 25, 2027</td><td>46.14</td><td>66.61</td><td>337,122</td><td>16.84%</td></tr><tr><td>September 26, 2027 - September 25, 2028</td><td>47.86</td><td>69.72</td><td>351,340</td><td>21.48%</td></tr><tr><td>September 26, 2028 - September 25, 2029</td><td>49.64</td><td>72.97</td><td>365,340</td><td>23.93%</td></tr><tr><td>September 26, 2029 - September 25, 2030</td><td>51.49</td><td>76.37</td><td>372,067</td><td>26.50%</td></tr><tr><td>September 26, 2030 - September 25, 2031</td><td>53.41</td><td>79.93</td><td>386,066</td><td>29.02%</td></tr><tr><td>September 26, 2031 - September 25, 2032</td><td>55.40</td><td>83.65</td><td>400,305</td><td>31.54%</td></tr><tr><td>September 26, 2032 - September 25, 2033</td><td>57.46</td><td>87.55</td><td>413,607</td><td>34.06%</td></tr><tr><td>September 26, 2033 - September 25, 2034</td><td>59.61</td><td>91.59</td><td>429,692</td><td>36.58%</td></tr><tr><td>September 26, 2034 - September 25, 2035</td><td>61.83</td><td>95.86</td><td>457,076</td><td>39.10%</td></tr></table> <div>*Note: Subject to increase depending on Annual RPS Requirement of DOE</div>	CONTRACT PERIOD	MINIMUM DEMAND (MW)	MAXIMUM DEMAND (MW)	TOTAL ENERGY (MWH)	*PERCENTAGE OF TOTAL RENEWABLE ENERGY from RPS-eligible Plant	September 26, 2025 - September 25, 2026	44.48	63.64	324,904	16.42%	September 26, 2026 - September 25, 2027	46.14	66.61	337,122	16.84%	September 26, 2027 - September 25, 2028	47.86	69.72	351,340	21.48%	September 26, 2028 - September 25, 2029	49.64	72.97	365,340	23.93%	September 26, 2029 - September 25, 2030	51.49	76.37	372,067	26.50%	September 26, 2030 - September 25, 2031	53.41	79.93	386,066	29.02%	September 26, 2031 - September 25, 2032	55.40	83.65	400,305	31.54%	September 26, 2032 - September 25, 2033	57.46	87.55	413,607	34.06%	September 26, 2033 - September 25, 2034	59.61	91.59	429,692	36.58%	September 26, 2034 - September 25, 2035	61.83	95.86	457,076	39.10%	<p>Please confirm whether the Annual Capacity and Energy Estimates are guaranteed volumes under the proposed Financial PSA structure.</p> <p>Could we request the previous 12-months load profile?</p>	<p>The figures indicated in Annex A are indicative ESTIMATES based on LUECO’s forecasted demand and historical consumption trends. These do not represent guaranteed volumes. The actual dispatched capacity and energy will be subject to LUECO’s actual demand and scheduling under the PSA.</p> <p>We will provide.</p> <div><div>LUECO'S 2024 HOURLY LOAD PROFILE (DEMAND)</div><table><tr><th>TIME</th><th>Jan-24</th><th>Feb-24</th><th>Mar-24</th><th>Apr-24</th><th>May-24</th><th>Jun-24</th><th>Jul-24</th><th>Aug-24</th><th>Sep-24</th><th>Oct-24</th><th>Nov-24</th><th>Dec-24</th><th>Jan-25</th><th>Feb-25</th><th>Mar-25</th><th>Apr-25</th></tr><tr><td>1</td><td>20991</td><td>26370</td><td>31272</td><td>30720</td><td>41193</td><td>37962</td><td>35678</td><td>35529</td><td>32841</td><td>33358</td><td>29436</td><td>30567</td><td>30362</td><td>29000</td><td>31543</td><td>30901</td></tr><tr><td>2</td><td>20886</td><td>26796</td><td>30853</td><td>30857</td><td>39210</td><td>36977</td><td>34889</td><td>33986</td><td>32356</td><td>31766</td><td>27967</td><td>29515</td><td>28923</td><td>27795</td><td>29792</td><td>30333</td></tr><tr><td>3</td><td>23770</td><td>23360</td><td>28278</td><td>31097</td><td>37461</td><td>36688</td><td>33321</td><td>32354</td><td>30375</td><td>26695</td><td>27992</td><td>27230</td><td>26565</td><td>26473</td><td>28473</td><td>30408</td></tr><tr><td>4</td><td>24288</td><td>22933</td><td>26704</td><td>30688</td><td>35887</td><td>33375</td><td>30341</td><td>30730</td><td>28933</td><td>25328</td><td>25436</td><td>26731</td><td>26939</td><td>25603</td><td>27334</td><td>30357</td></tr><tr><td>5</td><td>25378</td><td>21790</td><td>25568</td><td>30587</td><td>36216</td><td>33883</td><td>30306</td><td>29961</td><td>28044</td><td>27966</td><td>24685</td><td>26079</td><td>24493</td><td>24817</td><td>26474</td><td>31386</td></tr><tr><td>6</td><td>24853</td><td>22977</td><td>26023</td><td>30466</td><td>33809</td><td>31381</td><td>30679</td><td>29312</td><td>27952</td><td>25969</td><td>26162</td><td>26933</td><td>25300</td><td>25662</td><td>27991</td><td>31388</td></tr><tr><td>7</td><td>24859</td><td>23842</td><td>25068</td><td>29951</td><td>33051</td><td>30960</td><td>28561</td><td>28062</td><td>27167</td><td>25780</td><td>26386</td><td>26966</td><td>27957</td><td>27180</td><td>27236</td><td>32230</td></tr><tr><td>8</td><td>26988</td><td>23971</td><td>25461</td><td>30818</td><td>36938</td><td>33959</td><td>33463</td><td>32485</td><td>30582</td><td>30140</td><td>31375</td><td>33025</td><td>28959</td><td>32223</td><td>31989</td><td></td></tr><tr><td>9</td><td>34975</td><td>31053</td><td>34829</td><td>42002</td><td>45215</td><td>40462</td><td>41664</td><td>40058</td><td>38006</td><td>35126</td><td>37621</td><td>34707</td><td>34211</td><td>33441</td><td>40995</td><td></td></tr><tr><td>10</td><td>37382</td><td>34220</td><td>38439</td><td>46909</td><td>47352</td><td>43751</td><td>44953</td><td>43537</td><td>40796</td><td>40450</td><td>39353</td><td>40351</td><td>36197</td><td>36762</td><td>40062</td><td>40882</td></tr><tr><td>11</td><td>38846</td><td>39329</td><td>38863</td><td>49023</td><td>49026</td><td>47176</td><td>46826</td><td>44893</td><td>43222</td><td>43007</td><td>40480</td><td>41646</td><td>37925</td><td>38145</td><td>41633</td><td>47785</td></tr><tr><td>12</td><td>39950</td><td>36466</td><td>40239</td><td>57520</td><td>50366</td><td>48230</td><td>46121</td><td>42500</td><td>35646</td><td>40251</td><td>41330</td><td>41632</td><td>38566</td><td>36586</td><td>42393</td><td>45668</td></tr><tr><td>13</td><td>39334</td><td>36668</td><td>40579</td><td>50114</td><td>51553</td><td>48937</td><td>47327</td><td>45736</td><td>44475</td><td>40501</td><td>41455</td><td>40306</td><td>38884</td><td>39008</td><td>43594</td><td>49154</td></tr><tr><td>14</td><td>40939</td><td>38113</td><td>42865</td><td>52270</td><td>53516</td><td>51737</td><td>50337</td><td>47438</td><td>46437</td><td>46685</td><td>42561</td><td>43229</td><td>40476</td><td>40512</td><td>44822</td><td>51063</td></tr><tr><td>15</td><td>46729</td><td>38803</td><td>42869</td><td>53266</td><td>54916</td><td>53827</td><td>50217</td><td>47552</td><td>46454</td><td>46053</td><td>42686</td><td>43687</td><td>40779</td><td>40906</td><td>42602</td><td>51330</td></tr><tr><td>16</td><td>40940</td><td>37862</td><td>42384</td><td>51384</td><td>54254</td><td>51751</td><td>49793</td><td>46487</td><td>45553</td><td>45664</td><td>42566</td><td>42902</td><td>40207</td><td>40564</td><td>44586</td><td>50963</td></tr><tr><td>17</td><td>38955</td><td>36462</td><td>41225</td><td>48807</td><td>52623</td><td>49626</td><td>46501</td><td>45229</td><td>44530</td><td>43620</td><td>41933</td><td>40964</td><td>39993</td><td>39689</td><td>43393</td><td>49465</td></tr><tr><td>18</td><td>36522</td><td>33220</td><td>37373</td><td>46122</td><td>49700</td><td>46888</td><td>44571</td><td>42127</td><td>40510</td><td>39760</td><td>37600</td><td>38737</td><td>38245</td><td>36677</td><td>38333</td><td>45056</td></tr><tr><td>19</td><td>36774</td><td>32641</td><td>35971</td><td>42620</td><td>46907</td><td>42962</td><td>41267</td><td>41755</td><td>39639</td><td>39662</td><td>37677</td><td>39729</td><td>38363</td><td>36120</td><td>38560</td><td>42576</td></tr><tr><td>20</td><td>39667</td><td>31220</td><td>35952</td><td>41886</td><td>46952</td><td>42184</td><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						<p>level (Pmin) to ensure fuel efficiency, plant stability, and environmental compliance. <u>The absence of clear energy nomination levels or indicative monthly dispatch profiles may expose the Supplier to substantial operational inefficiencies or financial risks.</u></p> <p>Accordingly, <u>we respectfully propose that LUECO consider incorporating a reasonable firm and monthly Minimum Energy Offtake (MEOT)</u> commitment. This would help align expectations, promote dispatch predictability, and support more sustainable power generation operations—without undermining LUECO’s need for flexibility.</p>	
17	TOR	Annex A	Schedule of Annual Demand and Energy Requirements			<p>If there will be delay in the ERC Approval, what capacity will be considered for the adjusted term for both conventional and RE requirements?</p>	<p>No initial adjustment for now but forecast maybe adjusted if extended up to 2036.</p>
18	TOR	Annex C	Acceptable Banks for the issuance of SBLC			<p>We respectfully emphasize the importance of expanding the list of acceptable banks, including reputable institutions such as Bank of Commerce, to assist the Bidders in securing the SBLC. Limiting the options constrains our ability to utilize the most advantageous and reliable banking partners, which could potentially delay or hinder the approval process.</p>	<p>LUECO maintains its long list of Acceptable Banks in Annex C of TOR.</p>
19	TOR	General Comment	Price Cap			<p>May we know the basis of the Price cap?</p>	<p>Please refer to answer on Q6, number 2.</p>

20	IPB	Section 3.1.8	For documents which must be certified as a true and correct copy, all the pages must be certified. In the alternative, a certification page may be attached to the document (1) clearly identifying the document to which it is attached (including the name of the document, the issuer and the date of issue) and (2) attesting under oath that such document, including the number of pages of such document, is a true and correct copy of the original, which certification must be under oath and notarized.			We respectfully wish to reiterate our request for the inclusion of atleast six (6) additional authorized representatives in the Secretary's Certificate. We understand the previous decision; however, we kindly ask for your reconsideration to accommodate the possibility that some representatives may be unavailable or unable to certify the documents at the scheduled time.	For the purpose of accountability, LUECO allows additional two (2) authorized representatives.
21	IPB	Section 4.1 Qualification Documents	<p>4.1 QUALIFICATION DOCUMENTS</p> <p>A Bidder must submit on or before the Bid Submission Deadline sealed envelopes consisting of the following Qualification Documents, using the relevant forms indicated in this SECTION 4 (Qualification Documents) (Envelope 1A):</p> <p>4.1.1 Application to Qualify and Participate in the Bidding, using the form in ANNEX 1, with attached Authority to</p>	<p>For Annex 2-item 4:</p> <p>We would like to appeal to allow us to indicate more than 2 Authorized Representatives. Please note that in our standard Secretary's Certificate, we appoint more than 2 representatives authorized to represent the company for bidding purposes.</p> <p>For the certification, instead of the Corporate/Partnership</p>	<p>To maintain order during the Pre-Bid Conference, only the submitted queries by all the Bidders will be answered. Therefore, we will not entertain additional questions on the spot. You may submit your additional questions and/or further queries, if any, via email and we will respond accordingly through a bid bulletin. We are not allowing additional representatives.</p> <p>Only a Corporate/Partnership Secretary can attest to the fact</p>		

		<p>Participate in the Bidding and Designation of Authorized Representative using the form in ANNEX 2;</p> <p>4.1.2 Company Information, using the form in ANNEX 3, with the following attachments;</p> <p>a) copy of its SEC Certificate of Incorporation, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary, in which case, it must be under oath and notarized;</p> <p>b) copy of its articles of incorporation and by-laws or articles of partnership, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary, in which case, it must be under oath and notarized;</p> <p>c) copy of its latest General Information Sheet in case of a Corporation, stamped “received” by</p>	<p>Secretary, we would like to appeal to allow the Authorized Representatives appointed in Annex 2 to certify the documents.</p> <p>For item 4.1.2.c: Please confirm that we are allowed to submit a General Information Sheet issued by the</p>	<p>that Board Meeting was conducted for the stated purposes therein.</p> <p>Confirmed.</p>		
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			<p>the SEC, which shall be certified as a true copy by (i) the SEC; or (ii) the corporate secretary, in which case, it must be under oath and notarized;</p> <p>d) a diagram of the corporate structure of the Bidder with an indication of which entity has Controlling interest over, or is the Affiliate or Ultimate Parent of, the Bidder engaged in Power Generation and a copy of the shareholders' agreement, pooling agreement, voting trust agreement or equivalent document if the Bidder is a partnership or consortium, which shall be certified as a true copy by the corporate secretary (or its equivalent), which certification must be under oath and notarized;</p> <p>e) if applicable, copy of its registration with the BOI,</p>	<p>Partnership Secretary in lieu of the GIS. Please note that GNPK is a partnership and therefore does not have a GIS.</p> <p>For item 4.1.2.c: Would it be possible to provide summarized versions or redacted shareholder agreements if full disclosure is not permitted under internal policies, with a commitment to present full documents in post-qual?</p>	<p>No. For item 4.1.2 c, GIS is a public document and is allowed to be shared especially if requested for bidding purposes, of which only the BAC shall have access.</p>	<p>For item 4.1.2.d: Would it be possible to provide summarized versions or redacted shareholder agreements showing which entity has Controlling interest over, or is the Affiliate or Ultimate Parent of the Bidder if full disclosure is not permitted under internal policies, with a commitment to present full documents in post-qual?</p>	<p>We reiterate our previous reply.</p>
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			<p>which shall be certified as a true copy by (i) the BOI; or (ii) the corporate secretary, in which case, it must be under oath and notarized;</p> <p>f) a copy of the Certificate of Registration from the Bureau of Internal Revenue; and</p> <p>g) if the Bidder is under a partnership or consortium, the Bidders should submit an agreement showing that their liability in this Bidding and the resulting Power Supply Agreement (PSA) shall be solidary for the parties thereto. It should be certified as a true copy by the duly authorized officer of said joint venture/partners, in which case, it must be under oath and notarized.</p> <p>4.1.3 Notarized Certification of Absence of Unsatisfactory Performance Record, Outstanding Dispute, and pending/outstanding</p>	<p>For item 4.1.2.g: Please confirm specific document required from bidder which is a partnership.</p> <p>For item 4.1.3- Annex 5: On item 1 of Annex 5, can we delete items a and b if the bidder</p>	<p>Solidary Agreement whereby each of the Partners shall be liable in this bidding and for the entire performance as a result of the PSA.</p> <p>Please refer to the introductory paragraph of No.1 where states that <i>“1. (Insert name of Bidder)</i></p>	<p>For item 4.1.2.g: Solidary Agreement requirement: Can we submit Amended Articles of Partnership which already contains the liability clause and duly signed by the partners?</p> <p>For the roles indicated in the ITB may the Assistant Partnership Secretary perform those as well?</p>	<p>Yes. Please provide us a copy on the provision on the liability clause of the partners in the Amended Articles of Partnership, on or before July 04, 2025.</p> <p>Yes, provided the Corporate Secretary authorizes the Assistant Partnership Secretary to sign for and on her/his behalf via Special Power of Attorney (SPA).</p>
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			<p>due/demandable financial obligation/s, using the form in ANNEX 5; and</p> <p>4.1.4 Notarized Statement of Financial Capability, using the form in ANNEX 6, together with the following attachments:</p> <p>a) copy of the audited (parent and consolidated, if applicable) financial statements of the Bidder or any of its direct shareholders representing Controlling interest, Affiliates or Ultimate Parent for the last three (3) years (the latest of which must not be earlier than for the year ending December 31, 2024) duly stamped “received” by the Bureau of Internal Revenue (“BIR”) or SEC, or the equivalent thereof in a foreign country, which shall be certified as a true copy by (i) the BIR or SEC,</p>	<p>does not have any “Unsatisfactory Performance?”</p> <p>For 4.1.4.a:</p> <ol style="list-style-type: none">1. Please confirm that the required AFS to be submitted is for 2022, 2023, and 2024.2. For the AFS, we would like to request to allow bidders to submit the email acknowledgement from the BIR considering past submissions have been done online.3. We respectfully request allowing the AFS to be certified by any of the	<p><i>and its Affiliates engaged in power generation and/or supply do not have any record of Unsatisfactory Performance on any of their projects and contracts.”</i></p> <p>It is on this premise that (a) and (b) should not be deleted.</p> <p>Confirmed.</p> <p>The email acknowledgement from the BIR has to be attached to the required AFS but should be accompanied by a certification from any of the Authorized Representatives that the same is a certified true copy of the AFS duly submitted to the BIR.</p> <p>Only a Corporate/Partnership Secretary can attest to the fact that Board Meeting was</p>		
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			<p>or the equivalent thereof in a foreign country; or (ii) the chief financial officer or treasurer, in which case, it must be under oath and notarized; and</p> <p>b) copy of the most recent quarterly financial statements, which shall be certified as a true copy by the chief financial officer or treasurer, and must be under oath and notarized.</p>	<p>Authorized Representatives appointed in Annex 2.</p> <p>For 4.1.4.b: Can we submit the Unaudited financial statement as of March 31, 2025?</p>	<p>conducted for the stated purposes therein.</p> <p>The FS as of March 31, 2025 need not be audited FS but the Chief Financial Officer must certify that the figures therein reflect the fair presentation of the financial position and results of the operation of the Company as of March 31, 2025.</p>		
22	IPB	Section 4.2 Technical Proposal	<p>4.2 TECHNICAL PROPOSAL</p> <p>The Bidder must enumerate and identify its proposed power plant/s, which must be capable of supplying the Offered Capacity to LUECO for the Cooperation Period beginning on the Commencement Date (<u>“Portfolio of Plants”</u>).</p>	<p>In the event that a bidder does not currently have its own renewable energy portfolio rather have an ongoing negotiations with a third-party RE supplier—and is willing to assume the risk and commit to providing the required Renewable Energy Certificates (RECs) even if the negotiation fails or the RE supply cannot commence in the first year —</p>	<p>The RPS Rules mandate that a certain percentage of electricity increasing annually must come from an RPS eligible renewable energy sources.</p> <p>Section 5.3 of ERC Resolution No. 12, Series of 2024 on Priority Compliance Mechanism requires DU’s to prioritize the Compliance Mechanisms specified under</p>	<p>We acknowledge the provisions under ERC Resolution No. 12, Series of 2024, particularly Sections 5.1 and 5.3. However, to allow participation of non-renewable generators that currently do not have a portfolio of renewable energy (RE) plants, rather have an ongoing negotiations with a third-party RE supplier, may we respectfully clarify if the BAC would consider a bidder without an existing RE portfolio as eligible—provided that such bidder is willing to</p>	<p>Please refer to answer on Q2.</p>

			<p>No later than the Bid Submission Deadline, a Bidder must submit its notarized Technical Proposal of its Portfolio of Plants, using the form in ANNEX 7, in a separate sealed envelope (Envelope 1B) with the following attachments:</p> <p>a) Evidence of compliance to the requirements stated in the Invitation to Bid’s Terms of Reference Table (“TOR Table”);</p> <p>b)The Portfolio of Plants must be covered by a Certificate of Compliance (COC)</p>	<p>what would be the acceptable eligibility requirements for the RE portion under such circumstances?</p> <p>Can bidder declare only one physical plant (conventional) and provide RECs instead of an RE plant?</p> <p>1. For item 4.2.a, is there a template for the evidence of compliance to the requirements in the TOR table? Kindly provide an example document for this.</p> <p>2. For item 4.2.b, please confirm that we are allowed to submit a Provisional Authority to</p>	<p>Section 5.1 Compliance Mechanisms with Corresponding Energy, to comply with the least-cost sourcing of power supply to meet the minimum RPS requirement.</p> <p>This being the case, LUECO needs to meet the minimum RPS requirement thru the above-mentioned mechanisms and not thru the RECs.</p> <p>Please see comments above on this matter.</p> <p>Thank you for your observation. The evidences of compliance refer to nos. 2-10 of the original ANNEX 7. They should have been enumerated as items (a) to (k). This will be a subject of an amendment that will be posted in our bid bulletin.</p> <p>Confirmed.</p>	<p>assume the risk and formally commit to supplying the required Renewable Energy and/or Renewable Energy Certificates (RECs) in the event of a delayed start of delivery of the RE plant from the third-party supplier?</p> <p>Ultimately, the bidding will be awarded to the bidder offering the least cost. We hope this consideration will allow more participants to competitively and responsibly meet the requirements.</p> <p>In this regard, could the bidder declare only one plant? Or in case the nominated RE plant is still under construction or about to be built, what will be the acceptable documents in lieu of item 4.2 (a) to (k)?</p> <p>In reference to BAC’s response on Q.19 “As a relief, the required minimum physical RE supply, has to be complied with every contract year, and not necessarily on a monthly basis.”</p> <p>And in reference to this requirement:</p> <p>The Bidder must enumerate and identify its proposed power plant/s, which must be capable of supplying the Offered Capacity to LUECO for the Cooperation Period beginning</p>	<p>For technical evaluation purposes, the existence of RE plants is a must. In its absence, what will be your basis for your bid price in your LCOE worksheet?</p>
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			<p>from the ERC and must be registered as a direct member of the WESM;</p> <p>c) Details of the interconnection, operation, and maintenance of the Portfolio of Plants, including but not limited to general information on the Portfolio of Plants and key components thereof, plant site/s, and interconnection site/s, for at least three (3) years;</p> <p>d) If the Portfolio of Plants has been in Commercial Operation for less than 3 years then Bidder may submit less than 3 years of data together with proof that such Power Plant has only been operating for less than 3 years. Proof can be Certificate of Commercial Operations</p>	<p>Operate (PAO) in lieu of the COC.</p> <p>3. For item 4.2.c, can we provide a simple write-up to comply with the requirements?</p>	<p>For the time being, a simple write-up is accepted.</p> <p>For item 4.2 (e), even if you only</p>	<p>on the Commencement Date (<u>“Portfolio of Plants”</u>).</p> <p>We respectfully seek confirmation from the BAC if the bidder may include in its “Portfolio of Plants” an RE facility that may not be operational on the Commencement Date but is expected to commence operations within the first contract year, provided that the annual RE requirement will still be met.</p> <p>For item 4.2 (e):</p>	<p>Yes, it is confirmed.</p>
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			<p>e) List of projects undertaken within the last ten (10) years;</p> <p>f) List of electricity generation plants that the Bidder has operated for the last five (5) years;</p> <p>g) Proof of/ Documentation on track record for the last five (5) years of Portfolio operated by it;</p> <p>h) For newly operated renewable energy plant, in lieu of the requirements of letters e, f, and g, the Bidder may submit the following:</p> <p>1) Key Personnel Experience – curriculum vitae of key personnel of the prospective Bidder showing they have sufficient</p>	<p>4. For item 4.2.e-f, since bidder only operates one (1) power plant, can we provide a letter explaining the non-applicability of this requirement?</p> <p>For item 4.2.g, can we submit the 2020-2024 Generation Company Management Report (GCMR) to comply with this requirement?</p>	<p>operate one power plant, you must have projects undertaken within the last ten years. So, the requirement stays.</p> <p>The requirement being asked is just a list.</p> <p>For item 4.2 (f), your letter explaining the non-applicability of the requirement will suffice.</p> <p>Yes.</p>	<p>Since GNPK is the first and only project that GNPK has undertaken since its incorporation in 2013, please confirm that a document in list type/form showing only one project in the list will suffice.</p>	<p>Please submit the letter of explanation under oath on the non-applicability on requirement under Section 4.2 (e-f).</p>
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			<p>experience in the electric power industry, particularly in the generation sector; and</p> <p>2) Other relevant information showing proof of the technical capabilities of the Bidder that would be helpful to the BAC.</p> <p>i) Certificate of Registration issued by the Board of Investments (BOI), if applicable;</p> <p>j) A notarized certification, using the form in ANNEX 4-A and ANNEX 4-B, that the Offered Capacity from the Power Plant and/or each of the plants in its portfolio, at the time of Commencement Date and for the entire Cooperation Period is not covered by any offtake agreement (e.g.,</p>			<p>With reference to Item 4.2 (j), we respectfully seek confirmation on whether the Bidder is required to execute the certifications under both Annex 4A and Annex 4B—for Renewable Energy (RE) and non-Renewable Energy (non-RE) sources—even if the nominated RE or non-RE plant is not directly affiliated with the Bidder.</p>	<p>We can't do away with the technical capability documents, specifically Annexes 4-A and 4-B under Section 4.2 (j) of IPB for technical evaluation purposes.</p> <p>This means that upon submission of the bid you should already have a negotiated contract with an RE eligible plant.</p>
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			<p>a Power Supply Agreement (PSA) or ancillary services procurement agreement). However, although covered by an offtake agreement subject of an application for approval pending before the ERC, such application shall be withdrawn and the relevant offtake agreement terminated as of Commencement Date; and</p> <p>k) Certification of RPS-Eligible Renewable Plant from the DOE.</p>			<p>In cases where the nominated RE or non-RE plant is not affiliated with the Bidder, kindly clarify which specific document(s) must be submitted in lieu of ANNEX 4A or ANNEX 4B to demonstrate compliance.</p>	<p>Same answer as above because we need a commitment from you as the supplier of RE to LUECO regardless of the affiliation of the RE supplier to the bidder.</p>
23	IPB	Section 4.2 Technical Proposal	g) Proof of/Documentation on track record for the last five (5) years of Portfolio operated by it;			<p>Please confirm that Bidders may submit redacted GCMR for this requirement.</p>	<p>We don't allow redacted documents.</p>
24	IPB	Section 4.2 Technical Proposal	k) Certification of RPS-Eligible Renewable Plant from the DOE.			<p>In lieu of the Certification of RPS-Eligible Renewable Plant, what other document may the Bidder submit for this requirement?</p>	<p>The certification of RPS eligible Renewable Plant from your RE supplier will suffice.</p>
25	IPB	Section 4.3 Bid and Bid Security	<p>4.3 BID AND BID SECURITY</p> <p>No later than the Bid Submission Deadline, a Bidder must submit its Bid in a separate sealed envelope (Envelope 2)</p>	<p>We propose the inclusion of PBCom and AUB in the list of acceptable banks for SBLC issuance because they are universal banks recognized for their strong financial stability and reliability. We further note that</p>	<p>We maintain the list of Allowed Banks in ANNEX 11.</p>	<p>We would like to appeal to include PBCom and AUB as they are universal banks recognized for their strong financial stability and reliability.</p>	<p>LUECO maintains its long list of Acceptable Banks in Annex C of TOR and Annex 11 of IPB.</p>

			<p>consisting of the following documents (collectively referred to as the “Bid”), using the relevant forms indicated in this Section 4.3:</p> <p>a) Bid Letter, using the form in ANNEX 8;</p> <p>b) Bid Security equivalent to three (3)-month contract cost of the proposed power supply agreement computed using the bid price offered by the Bidder in the form of an irrevocable standby letter of credit issued by an Allowed Bank listed in ANNEX 11 and using the template in ANNEX 9 (without modification);</p> <p>Proposed Price for each Billing Year throughout the Cooperation Period beginning on the Commencement Date, as reflected in the Financial Evaluation Workbook. A soft copy of the Financial Evaluation Workbook (this includes worksheets on LCOE Result and</p>	<p>these are also the issuing banks for GNPk’s existing SBLC/BG facilities.</p>		<p>Please see attached write-up to support our appeal that we hope will merit your consideration.</p>	
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			Annual Escalation; Base Rates Table; in the forms shown below) shall be submitted via email, together with a print out of the said duly accomplished worksheet/s, signed in all pages of the original set by the Bidder's authorized representative and submitted as part of Envelope 2; and 9				
26	IPB	Section 4.3.2 Forfeiture of Bid Security				Pertaining to the "Forfeiture of the Bid Security" upon the occurrence of the events mentioned in letter "h", Section 4.3.2, SPI suggests and maintains that the forfeiture of the Bid Security can only be had if the delay in the submission of any additional document that the ERC may require for the successful filing of the relevant ERC application for the approval of the PSA, is directly attributable to the Winning Bidder.	Section 4.3.2 (e) and (h) is very clear on the matter.
27	IPB	Section 4.3.4 Performance Security	4.3.4 PERFORMANCE SECURITY (a) Within ten (10) calendar days from the execution of the contract, the Winning Bidder, shall post a Performance Bond, by way of Irrevocable Standby Letter of Credit, equivalent to the three (3)-month contract cost of the proposed PSA computed using the bid price offered by the Winning Bidder.	We respectfully request LUECO BAC to reconsider setting a nominal fixed amount for the bid security. Since bid security is contingent on the bid price, bidders need sufficient time to prepare competitive offers, and a high fixed amount limits our ability to secure it promptly. Reducing the bid security will encourage more bidders to participate, increasing	LUECO is following ERC Resolution No. 16, Series of 2023 and not our own requirement.	We fully understand and respect your requirement for the Seller to provide a Performance Security as a guarantee of contract performance, however, we respectfully propose that reciprocal protection be afforded to the Seller as well , through the posting of a Security Deposit or any acceptable form of financial guarantee on the part of the Buyer. This is a common industry practice that ensures balanced risk allocation	The Seller has an obligation to supply electricity to the Buyer and to ensure full compliance to this, the Seller shall post a Performance Security. On the other hand, the Buyer has the obligation to pay the bill within the agreed period. In case of failure to pay on the part of the Buyer, the Seller's ultimate recourse is to cut-off the supply. In worst case scenario, which is a case of default on the part of

		<p>(b) Failure to post the required Performance Security within the prescribed period will result in the forfeiture of the Bid Security.</p> <p>(c) Failure, inability or refusal of the Winning Bidder to join in the timely filing of the application will result in the forfeiture of the Performance Security/Bid Security, whichever is applicable.</p> <p>(d) If forfeited, the Performance Security shall be used by the DU in purchasing power covering the period affected by the delay or failure in the filing of the application, in which case, such forfeited amount used in purchasing power shall not be passed-on to its consumers.</p>	<p>competition and potentially lowering the cost of power supply for LUECO's consumers. Notably, in Meralco's recent CSP for peaking supply, a high bid security was a factor in bidder withdrawals.</p> <p>We also appeal that the Performance Bond be returned to the Seller one month after delivery commencement or after the first billing period to avoid trapping significant funds during the PSA, as recognized in recent DU/EC CSPs.</p> <p>Could GenCo also impose a bill deposit equivalent to the performance bond instead?</p>	<p>Performance security is a continuing financial guarantee ensuring that a party fulfills its obligations under a contract up to its termination. If the obligated party fails to perform as agreed, the Performance Security can be used by LUECO in purchasing power covering the period affected by the delay or failure in the filing of the application.</p> <p>The Seller has an obligation to supply electricity to the Buyer and to ensure full compliance to this, the Seller shall post a Performance Security. On the other hand, the Buyer has the obligation to pay the bill within the agreed period. In case of failure to pay on the part of the Buyer, the Seller's ultimate recourse is to cut-off the supply.</p>	<p>between both parties. Just as the Buyer seeks assurance that the Seller will fulfill its supply obligations, the Seller likewise requires reasonable assurance that the Buyer will meet its payment obligations—particularly in a long-term or high-value arrangement.</p> <p>Without such a financial guarantee, the Seller bears a disproportionate level of risk, especially in the event of delayed or non-payment, which may affect the continuity of supply and financial viability of the Seller's obligations.</p> <p>We trust that a mutually acceptable security mechanism can be agreed upon in the spirit of fairness and in support of a stable and reliable commercial relationship.</p> <p>In a worst-case scenario, the Buyer may default on its payment obligations while still holding the Seller's Performance Security. This creates a risky situation for the Seller, wherein,</p> <p>The Seller, having posted a Performance Security in good faith, is left financially exposed despite fulfilling its obligations under the contract;</p> <p>The Buyer, who has not provided any form of security to guarantee its own</p>	<p>LUECO, SELLER shall be entitled to Liquidated Damages in lieu of all other damages to which it may be entitled in respect of such Event of Default, equivalent to two (2) months' worth of electricity payment calculated as the sum of the previous two (2) months' worth of electricity payments made by BUYER to SELLER, net of any deductions that the Law may require. Please refer to Section 14.3.2 of the PSA.</p> <p>Buyer's default is a remote scenario because buyer will be answerable to its 56,000 consumers.</p>
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					<p>In worst case scenario, which is a case of default on the part of LUECO, SELLER shall be entitled to Liquidated Damages in lieu of all other damages to which it may be entitled in respect of such Event of Default, equivalent to two (2) months’ worth of electricity payment calculated as the sum of the previous two (2) months’ worth of electricity payments made by BUYER to SELLER, net of any deductions that the Law may require. Please refer to Section 14.3.2 of the PSA.</p>	<p>payment obligations, continues to hold the Seller’s Performance Security despite being in default;</p> <p>More critically, if the Buyer is already unable to fulfill its payment obligations, it raises serious concern as to how the Buyer would be able to satisfy its liability for liquidated damages.</p> <p>This scenario shows a possible imbalance in risk, where the Seller may carry the financial responsibility for both performance and unpaid obligations without sufficient protection. To ensure fairness, mutual accountability, and balanced risk exposure, we strongly recommend that both parties provide appropriate security mechanisms aligned with their respective obligations under the contract.</p>	<p>To prove that LUECO has been prompt with its obligation to pay, it has availed the monthly 3% PPD for the last 16 years for the benefit of the consumers.</p>
28	IPB	ANNEX 2 Authority to Participate in the Bidding and Designation of Authorized Representative		<p>We would like to appeal to allow us to indicate more than 2 Authorized Representatives. Please note that in our standard Secretary’s Certificate, we appoint more than 2 representatives authorized to represent the company for bidding purposes.</p>	<p>Please refer to the above comment under Q46.</p>	<p>Response to Q46 only pertains to the Corporate/Partnership Secretary as the one that can attest to the fact that Board Meeting was conducted for the stated purposes therein.</p> <p>Our question/appeal is to allow us to indicate more than 2 Authorized Representatives/Signatories, specifically in the 4th paragraph of item 4 in Annex 2:</p>	<p>Please refer to answer on Q20.</p>

						<div>4. At a (regular/special) meeting of the Board of Directors/partners of the Bidder, held on (date) at (place), in which meeting a quorum was present and acting throughout, the following resolutions were unanimously passed and approved: RESOLVED, AS IT IS HEREBY RESOLVED, that the (name of Bidder) (the "Company") be and is hereby authorized to participate in the bidding of La Union Electric Company, Inc. (LUECO) to make available Contract Capacity and supply associated energy to the LUECO ("Project"). RESOLVED FURTHER, that in the event the Company is declared as the Winning Bidder, the Company commits to fulfill all the Post Qualification compliances, if deemed necessary by the BAC, including the execution of the Power Supply Agreement (PSA) with the LUECO. RESOLVED FURTHER, that (name of representative 1) and representative 2), signing singly, are hereby appointed as the authorized representatives of the Company during the bidding, authorized to execute, sign, submit and receive documents for, and otherwise act in the name of, the Company;</div> <p>Please note that in our standard Secretary's Certificate, we appoint more than 2 representatives authorized to represent the company for bidding purposes especially as the Authorized Representatives represent various departments that have specific roles like document custodians, etc.</p> <p>Further, we suggest to include the Plant Financial Controller in addition to the Chief Finance Officer.</p>	
29	IPB	ANNEX 2 Authority to Participate in the Bidding and Designation of Authorized Representative	#UNKNOWN!			<p>Please confirm that the Assistant Corporate Secretary may execute this document.</p>	<p>Yes, provided the Corporate Secretary authorizes the Assistant Corporate Secretary to sign for and on her/his behalf via Special Power of Attorney (SPA).</p>
30	IPB	ANNEX 11 List of Allowed Banks		<p>We propose the inclusion of PBCom and AUB in the list of acceptable banks for SBLC issuance because they are universal banks recognized for their strong financial stability and reliability. We further note that these are also the issuing banks</p>	<p>Please refer to the comment above under Q65.</p> <p><i>We maintain the list of Allowed Banks in ANNEX 11.</i></p>	<p>We would like to appeal to include PBCom and AUB as they are universal banks recognized for their strong financial stability and reliability.</p> <p>Please see attached write-up to support our appeal that we hope will merit your consideration.</p>	<p>LUECO maintains its long list of Acceptable Banks in Annex C of TOR and Annex 11 of IPB.</p>

				for GNPK’s existing SBLC/BG facilities.																			
31	IPB	ANNEX 11 List of Allowed Banks	<div>ANNEX 11</div> <div>LIST OF ALLOWED BANKS</div> <table><tr><th>No.</th><th>Institution</th></tr><tr><td>1.</td><td>Bank of the Philippine Islands</td></tr><tr><td>2.</td><td>BDO Unibank, Inc.</td></tr><tr><td>3.</td><td>Development Bank of the Philippines</td></tr><tr><td>4.</td><td>Land Bank of the Philippines</td></tr><tr><td>5.</td><td>Metropolitan Bank & Trust Company</td></tr><tr><td>6.</td><td>Philippine National Bank</td></tr><tr><td>7.</td><td>China Banking Corporation</td></tr></table>	No.	Institution	1.	Bank of the Philippine Islands	2.	BDO Unibank, Inc.	3.	Development Bank of the Philippines	4.	Land Bank of the Philippines	5.	Metropolitan Bank & Trust Company	6.	Philippine National Bank	7.	China Banking Corporation			May we suggest adding the following banks which are also credible commercial banks in the Philippines. 1. Security Bank 2. Citibank 3. HSBC	Please refer to answer above.
No.	Institution																						
1.	Bank of the Philippine Islands																						
2.	BDO Unibank, Inc.																						
3.	Development Bank of the Philippines																						
4.	Land Bank of the Philippines																						
5.	Metropolitan Bank & Trust Company																						
6.	Philippine National Bank																						
7.	China Banking Corporation																						
32	IPB	ANNEXES	Request for Word File for the Annexes			While the annexes may be converted into Word format, doing so may change the formatting. To ensure consistency with the submissions, we respectfully request that the annexes be provided in editable Word file format.	We will provide.																
33	IPB	General Comment				Will the Winning Bidder be allowed to add to its portfolio of Renewable Energy Plant/s (RPS eligible) during the term of the Agreement? Adding plants to the portfolio will ensure that the winning bidder will be able to have enough RPS supply to LUECO.	Yes. Please provide the technical capability documents of the additional RE Plant/s.																
34	IPB	General Comment				May we request LUECO to provide a complete checklist of requirements.	We will provide.																
35	PSA	ARTICLE 3 PERFORMANCE SECURITY	3.1 SELLER shall, within ten (10) Days from execution of the contract, deliver to BUYER security (“Performance Security”) equivalent to the three (3)-month contract cost herein the PSA amounting to _____ (PHP _____), in the form of an irrevocable stand-by letter	We appeal that the Performance Bond be returned to the Seller one month after delivery commencement or after the first billing period to avoid trapping significant funds during the PSA, as recognized in recent DU/EC CSPs.	Please refer to the comment above under Q75. Performance security is a continuing financial guarantee ensuring that a party fulfills its obligations under a contract up to its termination. If the obligated party fails to perform as agreed, the Performance	We fully understand and respect your requirement for the Seller to provide a Performance Security as a guarantee of contract performance, however, we respectfully propose that reciprocal protection be afforded to the Seller as well , through the posting of a Security Deposit or any acceptable form of payment guarantee on the part of the Buyer.	Please refer to answer on Q27.																

		<p>of credit or bank guarantee, and at the time of issuance thereof, be issued by an Acceptable Bank.</p> <p>3.2 Within sixty (60) Days from each anniversary of the Commencement Date, the Parties shall meet to review the list of Acceptable Banks and mutually agree on the list of Acceptable Banks from which any amended or replacement Performance Security shall be procured.</p> <p>3.3 If the Performance Security is subject, pursuant to its terms, to a fixed expiry date, SELLER shall, not less than ten (10) Days prior to such expiry date, amend or replace the Performance Security with a duly-executed amended or replacement Performance Security, compliant with the requirements under Section 3.1 of this Agreement.</p> <p>3.4 Each Performance Security shall stand as security for the faithful and proper compliance by SELLER of its obligations under this Agreement and shall</p>	<p>Could GenCo also impose a bill deposit equivalent to the performance bond instead?</p>	<p>Security can be used by LUECO in purchasing power covering the period affected by the delay or failure in the filing of the application.</p> <p>The Seller has an obligation to supply electricity to the Buyer and to ensure full compliance to this, the Seller shall post a Performance Security. On the other hand, the Buyer has the obligation to pay the bill within the agreed period. In case of failure to pay on the part of the Buyer, the Seller’s ultimate recourse is to cut-off the supply.</p> <p>In worst case scenario, which is a case of default on the part of LUECO, SELLER shall be entitled to Liquidated Damages in lieu of all other damages to which it may be entitled in respect of such Event of Default, equivalent to two (2) months’ worth of electricity payment calculated as the sum of the previous two (2) months’ worth of electricity payments made by BUYER to SELLER, net of any deductions that the Law may require. Please refer to Section 14.3.2 of the PSA.</p>	<p>This is a common industry practice that ensures balanced risk allocation between both parties. Just as the Buyer seeks assurance that the Seller will fulfill its supply obligations, the Seller likewise requires reasonable assurance that the Buyer will meet its payment obligations—particularly in a long-term contract.</p> <p>Without such a payment guarantee, the Seller bears a disproportionate level of risk, especially in the event of delayed or non-payment, which may affect the continuity of supply and financial viability of the Seller’s obligations.</p> <p>We trust that a mutually acceptable security mechanism can be agreed upon in the spirit of fairness and in support of a stable and reliable commercial relationship.</p> <p>In a worst-case scenario, the Buyer may default on its payment obligations while still holding the Seller’s Performance Security. This creates a disadvantage situation for the Seller, wherein,</p> <p>The Seller, having posted a Performance Security in good faith, is left financially exposed despite fulfilling its obligations under the contract;</p>	
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			<p>be procured and maintained by SELLER until the end of Cooperation Period.</p> <p>3.5 Within thirty (30) Days after the expiration of Cooperation Period, BUYER shall return to SELLER the Performance Security less any amount properly due and owing from SELLER to BUYER under this Agreement.</p> <p>3.6 BUYER may draw the entire amount of the Performance Security and hold the proceeds in trust as cash collateral if SELLER fails to procure a replacement Performance Security within the time required under Section 3.3 above.</p>			<p>The Buyer, who has not provided any form of security to guarantee its own payment obligations, continues to hold the Seller’s Performance Security despite being in default;</p> <p>More critically, if the Buyer is already unable to fulfill its payment obligations, it raises concern as to how the Buyer would be able to satisfy its liability for liquidated damages.</p> <p>This scenario shows a possible imbalance in risk, where the Seller may carry the financial responsibility for both performance and unpaid obligations without sufficient protection. To ensure fairness, mutual accountability, and balanced risk exposure, we strongly recommend that both parties provide appropriate security mechanisms aligned with their respective obligations under the contract.</p>	
36	PSA	ARTICLE 6 TAXES, FEES, AND COSTS	<p>6.1 Responsibility for Taxes, Fees and Costs</p> <p>6.1.1 SELLER shall make timely payment of the following amounts:</p> <p>a) WESM Market Related Charge, including but is not limited to Market Fees, Line Rental Charges, etc.;</p>	<p>Kindly confirm that any Energy Imbalance Fees arising from discrepancies between the Daily MQ and the Final MQ shall be for the account of the Buyer. The Seller's obligation is limited to the timely settlement of such fees with the market.</p>	<p>Energy Imbalance Fees shall be for the account of the Seller as provided in Section 6.1.1 of the PSA.</p>	<p>Please confirm whether all other adjustments imposed by the market from time to time will be shouldered by the Buyer. Kindly note that there are impositions of adjustments (<i>i.e.. MRU, AdCom, etc.</i>) made by IEMOP attributable to historical transactions which are due and demandable immediately.</p>	<p>No, Market-Related Fees should be shouldered by the seller. Please refer to Section 6.1.1 (a) of the PSA.</p>

		<p>b) Energy Imbalance Fees; c) Benefits to Host Communities Charges; and d) Applicable value-added tax on any of the foregoing amounts in accordance with Philippine Bureau of Internal Revenue and ERC regulations.</p> <p>6.1.2 Value-added tax on energy supplied by SELLER and Replacement Power (if any VAT is payable) in accordance with Philippine tax Laws and regulations that BUYER is responsible for collecting the VAT from its customers, of which SELLER shall be responsible for paying to third parties. Hence, shall form part of the price that BUYER will charge to its customers. For the avoidance of doubt, VAT discussed in this Section shall not exceed 12%, unless amended subsequently by any Law.</p> <p>6.1.3 BUYER shall be liable for and pay any new taxes, fees, charges, and levies imposed on SELLER after the date hereof in connection with the performance by SELLER of its</p>			<p>In addition, it is concerning that LUECO is firm on having the Supplier shoulder the discrepancies in terms of quantities between the Daily MQ and Final MQ. Note that these may be due to metering errors that are beyond the Supplier's control. Hence, it should be paid what is due.</p>	<p>Please refer to Article 5, Section 5.1 of the PSA.</p>
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			<p>obligations pursuant to this Agreement, and upon ERC Approval of the recovery of such from BUYER's customers. Such payments shall be made as and when required pursuant to applicable laws in effect from time to time.</p> <p>Each Party shall be liable for their respective income taxes. For the avoidance of doubt, any increase in income tax imposed on SELLER shall be for SELLER's account.</p>				
37	PSA	ARTICLE 8 FORCE MAJEURE	<p>8.1 Events of Force Majeure</p>	<p>Given that any event of FM is not within the control of the affected Party, such Party should not incur any losses or be penalized under FM circumstances.</p> <p>We kindly request for LUECO to have this provision open for negotiation with the Winning Bidder</p>	<p>As a general rule, no party shall be liable in case of event of Force Majeure. However, please refer to Article 8.2.2 second to the last paragraph.</p> <p><i>"In the case of Force Majeure Event affecting SELLER including System Emergency, and there is available supply from another source, SELLER shall continue to supply LUECO at prevailing Generation Rate or WESM Price at LUECO's Market Trading Node, whichever is lower. SELLER shall guarantee 100% availability of supply at prevailing Generation Rate regardless of source plant's availability or unavailability. For</i></p>	<p>We are deeply concerned with the requirement of having to provide supply to LUECO even under the condition of FM given that such an event is already considered adverse to the Supplier. While we note that the supply may still be available, we would like to request to be granted with pricing flexibility in terms of providing the replacement power.</p> <p>Hence, we propose the following revision:</p> <p><i>"In the case of Force Majeure Event affecting SELLER including System Emergency, and there is available supply from another source, SELLER shall continue to supply LUECO at the actual price of the alternative supply. SELLER</i></p>	<p>Please refer to answer on Q12.</p> <p>When a force majeure occurs but energy supply is still available, setting the price at the lower of the approved rate, from other sources or the WESM rate ensures fairness, protects consumers, prevents price</p>

				<p><i>the avoidance of doubt, the Power Supplier shall not be entitled to claim any of its act or omission as Force Majeure.”</i></p> <p>We recognized your concern and in fact this is subject of our query to DOE and we quote the reply of DOE:</p> <p>“The DOE concurred that such provision is necessary to ensure efficiency in the operation of the winning bidder, which consequently results in the continuous electric power supply to LUECO’s captive customers.”</p>	<p><i>shall guarantee 100% availability of supply regardless of source plant’s availability or unavailability. For the avoidance of doubt, the Power Supplier shall not be entitled to claim any of its act or omission as Force Majeure.”</i></p>	<p>gouging, and promotes economic stability during disruptions.</p>
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