



UPDATED DETAILED INSTRUCTION TO BIDDERS (as of January 2023)

1. Expression of Interest

1.1 Parties interested to bid (the “Interested Bidders”) shall be required to comply with the following eligibility requirements (the “Eligibility Requirements”) which must be submitted electronically using the email of its authorized representative indicated in the cover letter signifying interest to join the Bidding (“Expression of Interest”) to the TPBAC-Secretariat through its email address: tpbacsecretariat@ngcp.ph no later than the Expression of Interest Deadline as specified in the Invitation to Bid:

- i. Notarized Expression of Interest*;
- ii. Company Profile;
- iii. Securities & Exchange Commission (SEC) Registration Certificate and Articles of Incorporation, or Department of Trade & Industry (DTI) Registration Certificate, whichever is applicable;
- iv. General Information Sheet (GIS);
- v. Bureau of Internal Revenue (BIR) Certificate of Registration (COR);
- vi. Valid & Current Business Permit;
- vii. Board Resolution Authorizing the Prospective Bidder to Participate in the AS Bidding;
- viii. Notarized Non-Disclosure Undertaking*;
- ix. Written Acceptance of the Terms of Reference*;
- x. Acknowledgement and Consent Form on Data Privacy*; and
- xi. Notarized undertaking that all documents submitted are true and correct, and copies of legal and regulatory documents are exact reproductions of the original*.

* *prescribed forms available for download at <https://www.ngcp.ph/csp>*

- 1.2 The Eligibility Requirements must be (i) clearly scanned using .pdf file format, and (ii) in the form and substance made available on NGCP’s website <https://www.ngcp.ph/csp>, as applicable.
- 1.3 Should the TPBAC receive less than two (2) Expressions of Interest for RR, CR, and DR per Grid, the TPBAC shall declare a failure of the bidding process only for that specific AS Type and Grid.
- 1.4 Upon the TPBAC-Secretariat’s receipt of said submission, subject to a later evaluation of the contents of the submitted documents, it will electronically acknowledge the receipt thereof. Following review of all submitted Eligibility Requirements, the TPBAC shall notify each Interested Bidder of the result of the evaluation via email. Only Interested Bidders with submissions that are in order (the “Eligible Bidders”) will be given confirmation by the TPBAC of its eligibility to participate in the Bidding.

- 1.5 If the submissions are in order, the Interested Bidder shall be qualified to participate and become an Eligible Bidder. The link to an online repository/folder containing bid-related documents (the “Bidding Documents”) shall be sent to the Eligible Bidders, which shall be accessible and available only for that particular bidder through the registered email/s of its authorized representative/s indicated in its Expression of Interest.
- 1.6 After the Expression of Interest Deadline, Eligible Bidders may change the names or details of its authorized representative/s no later than five (5) days prior to the Bid Submission Deadline.
- 1.7 The hard copies of the documents enumerated in section 1.1 above, shall be submitted to NGCP in a separate envelope, along with the bid submission, for the TPBAC’s file.
- 1.8 There shall be no bid participation fee, nor bid documents fee to be charged.

2. Pre-Bid Conference

- 2.1 The TPBAC shall conduct a Pre-Bid Conference via virtual video conferencing.
- 2.2 Eligible Bidders shall be requested to submit advanced queries using the prescribed template, as indicated in the timeline in the Invitation to Bid.
- 2.3 Only the authorized representative/s of the bidders as indicated in the Expression of Interest shall be allowed to attend and participate in the Pre-Bid Conference. Observers from DOE, ERC, and NEA will also be invited.

3. Bid Submission

- 3.1 This bid submission and opening will be done virtually. The uploaded files in the online repository shall be considered the official and final copies of the bid submission. The hard copies to be submitted to the NGCP Head Office shall serve as NGCP’s file and secondary reference. Thus, Eligible Bidders must ensure that their bid submission in the online repository are complete and correct copies of the original.
- 3.2 Eligible Bidders may update their AS offer from the Expression of Interest (i.e. AS type and capacities) in their bid submission. The AS offer in the bid submission shall be considered final and can no longer be modified after the Bid Submission Deadline.
- 3.3 Eligible Bidders shall upload to their assigned online repository/folder, two (2) separate and password-protected zip folders (.zip file) (the “Envelopes”) containing the following:

3.3.1 Envelope 1

3.3.1.1 Legal Documents – scanned copies in .pdf format

- a. List of existing Power Supply Agreement(s) (PSA), with data on duration of contract and capacity. This is to ensure that the AS capacity being offered is un-contracted and available. Actual copies of each PSA is not part of the submission.

- b. Certificate of Satisfactory Performance from Load Customers with PSA. One (1) certificate is acceptable.
- c. For Embedded Generators, written consent of Host Distribution Utility that the Embedded Generator can be dispatched anytime for provision of Ancillary Services.
- d. 2-year Audited Financial Statement including Income Tax Return (ITR) stamped "Received" by the BIR. If the 2021 AFS and ITR are not yet available, submit the copy from the most recent year, and submit the 2022 AFS and ITR as soon as it becomes available, at any stage of the bidding process. For newly established companies, submit the AFS of the parent company.
- e. Notarized undertaking that all documents submitted in Envelope 1 and Envelope 2 are true and correct, and copies of legal and regulatory documents are exact reproductions of the original.

3.3.1.2 Technical Documents

- a. Fill out the Grid Interface Checklist and provide the single line diagram of its revenue metering connection, in .pdf format.

3.3.2 Envelope 2

3.3.2.1 Bid Security

- a. Eligible Bidders shall post Bid Security, equivalent to two percent (2%) of the total computed Capacity Payment Cost for one (1) year, for the maximum offered AS Capacity per AS type (equivalent contract price). Separate Bid Security shall be posted for each AS type offered. Original physical copies of the Bid Security/ies shall be submitted to NGCP. Electronic copies of the Bid Security/ies shall also be submitted in .pdf format.
- b. Computation of Bid Security for Regulating Reserve (RR), Contingency Reserve (CR), and Dispatchable Reserve (DR)

For example, an offer of 20MW RR for 24hours, 320 days in a year at PhP 2.25/kW per hour, will result to a Bid Security of: $20,000\text{kW} \times 24\text{hrs} \times 320\text{days} \times 2.25\text{PhP/kW per hr} \times 2\% = \text{PhP}6,912,000.00$.

Should the Eligible Bidder's actual capacity offer vary over the period of one (1) year, then the basis of Bid Security computation shall be the maximum AS Capacity per hour, per AS type applied across the one-year period.

- c. Computation of Bid Security for Black Start Service (BSS)

BSS capacity as certified (kW) x 12hrs x BSS rate (PHP/kWh) x 2%. The assumption is the BSS will be utilized once a year for 12 hours.

- d. Computation of Bid Security for Reactive Power Support (RPS)

RPS kVAR as certified (kVAR) x 5hrs x 5months x 4.00/kVAR per hr x 2%. The assumption is the RPS will be utilized for 5 hours a day for 5 months (dry season) per year.

- e. Bid Security shall be in the form of surety bond or irrevocable standby letter of credit, from NGCP's list of approved providers. The Bid Security shall be (i) forfeited in favor of NGCP if the Eligible Bidder withdraws its bid after the bid opening, fails to complete Post-Qualification Requirements, or refuses to execute the ASPA after it has been provided a Notice of Award, and (ii) valid for 120 days from the Bid Submission Deadline.
- f. Bid Security may be procured by a parent company or affiliate, on behalf of the Eligible Bidder.

3.3.2.2 Capacity Offer

- a. Provide the detailed hourly profile of AS capacity offer per month, per year, for each AS type, using the provided template for AS offers, and saved as editable .csv file with no restrictions. Consider in the AS capacity offer the scheduled maintenance of the units and the plant. This means during the period of scheduled maintenance, AS capacity offer should already be reduced or set to zero.
- b. In the AS capacity offer, Eligible Bidder shall provide its preferred capacity offer, as well as its Minimum Capacity Offer, which will be the acceptable minimum capacity that Eligible Bidder will accept in case only portion of its capacity will be accepted to meet the required AS level.

3.3.2.3 Capacity Payment Rate

- a. Offer in PhP/kW per hour, per AS type offered. The Capacity Payment Rate shall be adopted in the ASPA, and shall be uniform across all hours for the duration of the ASPA.
- b. Any changes in Capacity Payment Rate after the bid opening shall render the bid invalid and shall disqualify the Eligible Bidder. Further, the Bid Security shall be forfeited in favor of NGCP.
- c. Basis for the computation of the Capacity Payment Rate shall be part of the ASPA Application to the ERC, to be justified by the AS Provider.

3.3.2.4 Incidental Energy Payment

- a. Eligible Bidder shall provide the basis for its Incidental Energy Payment, and the declared formula and indices in its bid shall be adopted in the ASPA.
- b. The Incidental Energy Payment shall be itemized into:
 - Fixed Energy Fee, in PhP/kWh;

- Indexed Energy Fee, in PhP/kWh, which may include any of the following:
 - Fuel Cost, based on fuel indices for December 2022. Bidder shall provide the reference for its fuel index, which will be the basis of data reference during ASPA implementation.
 - Variable O&M Cost, based on Consumer Price Indices for December 2022
 - Applicable foreign currency exchange based on December 2022, if applicable
- c. The formula for Incidental Energy Payment that will be adopted in the ASPA shall be:

$$\text{Incidental Energy Payment} = [G \times (\text{Capacity Payment Rate} + \text{Energy Fees})] - (\text{WESM Revenue} - \text{WESM Payment})$$

Where:

- G = summation of actual energy generated or dispatched from the Scheduled Capacity, in kWh
 - Energy Fees, in PhP/kWh = Fuel Cost + Fixed and Variable O&M Cost, in PhP/kWh
 - Fuel Cost, in PhP/kWh = prevailing price of relevant fuel index based on published data for the month of December 2022
 - Variable O&M Cost, in PhP/kWh = VOM rate x (Current CPI ÷ Base CPI)
 - WESM Revenue = summation of WESM revenue based on market clearing price at the generator's trading node, arising from G
 - WESM Payment = summation of WESM purchases based on market clearing price at the generator's trading node, for generator's feedback power if applicable
- d. Note that for Black Start Service, the per-occurrence payment is in PhP/kWh rate for actual provision of the service.
 - e. Any changes in Incidental Energy Payment Rate after the bid opening shall render the bid invalid, and shall disqualify the Eligible Bidder. Further, the Bid Security shall be forfeited in favor of NGCP.

3.3.2.5 AS Cost Simulation

- a. Provide a simulated Total AS Cost for RR, CR, DR, RPS, and/or BSS offer, with the components provided in the Ancillary Services rates portion above, using the template for AS Cost Simulation. Cost of technical Pmin for Regulating Reserve and Contingency Reserve are not included. Further, start-up and shutdown costs for RR and CR shall not be included, as it is understood that generating units are already spinning at the start of RR and CR schedule.
- b. Eligible Bidders shall use the formula and data it has declared in its Capacity Payment Rate and Incidental Energy Payment Rate in the computation for the AS Cost Simulation. Any inconsistencies between the declared Capacity

Payment Rate and Incidental Energy Payment Rate shall render the bid invalid and shall disqualify the Eligible Bidder. The Bid Security shall not be forfeited in this case.

- 3.4 Eligible Bidders shall also submit in a sealed envelope the Original Copy of all the documents in section 3.3 above, as well as hard copies of the documents for pre-qualification in section 1.1 above, at the NGCP Lobby Main Office, Power Center, Quezon Avenue cor. BIR Road, Diliman, Quezon City, by the Bid Submission Deadline.
- 3.5 Immediately after the Bid Submission Deadline as provided in the Bid Bulletin, the Eligible Bidders' access to their assigned online repository/folder shall be limited to read-only mode. Hence, the electronic copies of all documents submitted may no longer be replaced.

4 Opening of Bids

- 4.1 Opening and evaluation of the bid submissions shall be via virtual video conferencing .
- 4.2 Eligible Bidders shall be instructed to email to the Secretariat the password for the Envelopes that contain the bid documents after they are called during the opening of bids.
- 4.3 Only the authorized representative/s of the Eligible Bidders as indicated in the Expression of Interest shall be allowed to attend and participate in the opening of bid documents. Observers from DOE, ERC, and NEA will also be invited.
- 4.4 The TPBAC shall not accept late submissions at any stage of the Bidding.
- 4.5 Opening of bids shall proceed in the following manner:
 - 4.5.1 Opening of the Envelopes will be in the order of receipt of the Eligible Bidders' submissions (i.e. earliest submission to be opened first);
 - 4.5.2 The Eligible Bidders' Envelope 1 shall be opened first. The Secretariat shall go through a checklist to indicate the presence or absence of the required documents;
 - 4.5.3 Should an Eligible Bidder fail to complete the requirements of Envelope 1, its submission will be set aside and marked as "failed", and Envelope 2 shall not be opened.
 - 4.5.4 Only when the opening of Envelope 1 of all Eligible Bidders is finished, will the Secretariat proceed to the opening of Envelope 2. Only the Eligible Bidders with complete documents in Envelope 1 will have their Envelope 2 opened.
 - 4.5.5 During the opening of Envelope 2, should offer exceed the Maximum Capacity Payment Rate, the bid shall be marked as "failed".
 - 4.5.6 After all the Eligible Bidders are called and their bid submissions are opened, the TWG and Secretariat shall show the complete matrix of offers, in order of lowest to highest AS Cost Simulation, and its corresponding minimum and maximum AS capacity offers. This will still be subject to evaluation by the TPBAC, ensuring that only the required level of AS capacity will be contracted.

- 4.6 For Eligible Bidders whose offer is for more than one AS type, the offers will be evaluated as follows:
 - 4.6.1 The generating unit/sector that has been considered as within the required level for RR will no longer be considered for CR and/or DR, unless the offer for the other AS types coming from the same unit/sector are not on simultaneous hours.
 - 4.6.2 Offers for BSS coming from the same unit/sector as that of RR, CR, DR, and/or RPS shall be accepted, since these AS types are canceled during system blackout and restoration.
 - 4.6.3 Offers for RPS coming from the same unit/sector as that of CR and/or DR shall be accepted, as reactive power can be provided at the same time as CR or DR provision.
 - 4.6.4 The initial results of the bidding shall be shown after the opening of Envelop 2. This will still be subject to evaluation and Post-Qualification.
- 4.7 Should there be only one Eligible Bidder with complete requirements for Envelope 1 and Envelope 2 for Regulating Reserve, Contingency Reserve, or Dispatchable Reserve in a grid, the bidding for such AS type in a Grid will be considered a failed bid.
- 4.8 For Black Start Service and/or Reactive Power Support, should there be only one Eligible Bidder that submitted its bid, such bid shall be accepted. Note that BSS and RPS utilization and payment is on a “per occurrence basis”.
- 4.9 An Eligible Bidder who wishes to withdraw its bid submission must submit a written letter to the TPBAC of its withdrawal, prior to the start of the bid opening proceedings.

5 Post-Qualification and Evaluation of Bids

- 5.1 The TWG shall conduct the post-qualification and evaluation of documents after the opening of bids.
- 5.2 The bid with the lowest AS Cost Simulation shall be considered first in the ranking, with its corresponding AS capacity offer for each AS type.
- 5.3 Once the ranking based on lowest AS Cost Simulation is completed, the detailed AS offer in hourly profile will be laid out in the complete matrix of AS offers. This is to see whether the AS capacity offered will complete the hourly required level.
- 5.4 Should all AS offers fit in the hourly required level, all the Eligible Bidders will be considered for the issuance of Notice of Award, provided that such bidders submit the following documents (the “Post-Qualification Requirements”) no later than the Deadline for Submission of Post-Qualification Requirements:
 - 5.4.1 ERC Provisional or Final Certificate of Compliance, or ERC-issued certification that the same is in process;
 - 5.4.2 WESM Registration;
 - 5.4.3 Ancillary Services Accreditation Certificate; and
 - 5.4.4 Transmission Service Agreement and Metering Service Agreement with NGCP.
- 5.5 Should the AS offers exceed the hourly required level, the last Eligible Bidder that will fit in and fulfill the hourly required level will be considered, but only up to the required AS

level. All other Eligible Bidders (with highest AS Cost Simulation) that are already in excess of the hourly required level will not be issued a Notice of Award.

- 5.6 The last Eligible Bidder/s to fit fill in and fulfill the hourly required level (or the “marginal plant”) but whose offer was only partially accepted relative to the limits of the required AS level, will be notified and given the opportunity to withdraw its bid before the issuance of Notice of Award, and its Bid Security will be returned and not be forfeited. Otherwise, it will be deemed that the Eligible Bidder has waived its opportunity to withdraw and its bid, insofar as it falls within the required AS level, will be accepted and will be issued a Notice of Award.
- 5.7 Tied bids will be addressed by the TPBAC by requiring the affected Eligible Bidders to submit revised offers, to be submitted and opened on an agreed date within the AS-CSP timeline.
- 5.8 Should a Winning Bidder decide to withdraw its offer, or fails to complete the Post-Qualification Requirements by the deadline provided, the Eligible Bidder with the next lowest offer will be considered for the award of an ASPA. The Eligible Bidder with the next lowest offer will be notified via e-mail by the Secretariat, and shall be given five (5) calendar days to submit its Post-Qualification Requirements. Failure to complete the Post-Qualification Requirements will be considered a waiver of its opportunity to secure the ASPA and the Eligible Bidder will not be given a Notice of Award.

6 Issuance of Notice of Award

- 6.1 TPBAC shall submit to the NGCP-BOD the evaluation report on the Bidding and the recommendation on Eligible Bidders to be awarded an ASPA (the “Winning Bidders”), as provided in Section 7.9 of the DOE Circular No. 2021-10-0031.
- 6.2 Upon approval of the NGCP-BOD, each Eligible Bidder shall be provided with the final result of the evaluation of its submission.
- 6.3 The TPBAC shall issue Notices of Award to the Winning Bidders and proceed with the finalization and execution of the pertinent ASPAs.
- 6.4 Winning Bidders shall post a Performance Bond upon acceptance of the Notice of Award, equivalent to 30% of the total computed Capacity Payment Cost for one (1) year, for the offered AS Capacity per AS type (equivalent contract price). The Performance Bond shall be separated per AS type, and maintained and updated annually throughout the duration of the ASPA and computed as follows.

6.4.1 Computation of Performance Bond for RR, CR, and DR

For example, 20MW RR for 24hours, 320 days in a year at PhP 2.25/kW per hour, will result to a Performance Bond of: $20,000\text{kW} \times 24\text{hrs} \times 320\text{days} \times 2.25\text{PhP/kw per hr} \times 30\% = \text{PhP } 103,680,000.00$.

6.4.2 Computation of Performance Bond for BSS

BSS capacity as certified (kW) x 12hrs x BSS rate (PHP/kWh) x 30%. The assumption is the BSS will be utilized once a year for 12 hours.

6.4.3 Computation of Performance Bond for RPS

RPS kVAR as certified (kVAR) x 5hrs x 5months x 4.00/kVAR per hr x 30%. The assumption is the RPS will be utilized for 5 hours a day for 5 months (dry season).

6.4.4 Performance Bond shall be (i) in the form of surety bond or irrevocable standby letter of credit, from NGCP's list of approved providers, and (ii) subject to withdrawal in favor of NGCP upon termination of the ASPA due to default of the AS Provider (Winning Bidder).

7 Protest Mechanism

Bidders may protest a decision of the TPBAC in writing, consistent with Sections 10.2 to 10.4 of the DOE Circular No. 2021-10-0031, to be addressed to NGCP President Mr. Anthony L. Almeda. Such written protest shall be emailed to the Secretariat (*tpbacsecretariat@ngcp.ph*).