COTABATO ELECTRIC COOPERATIVE, INC.
(COTELCO)
Manubuan, Matalam, Cotabato
Email: cotelco2day@yahoo.com

BIDS AND AWARDS - PSP COMMITTEE

INVITATION TO DIRECT NEGOTIATION

ERRATUM/AMMENDMENT

Pursuant to Department of Energy (DOE) Circular No. 2023-06-0021, Energy Regulatory Commission (ERC) Resolution No. 16, Series of 2023 and National Electrification Administration (NEA) Memorandum No. 2023-57, COTELCO, thru its Bids and Awards Committee for Power Supply Procurement (BAC-PSP), invites all interested and qualified Bidders to participate for the DIRECT NEGOTIATION for the 3MW Supply Renewable Energy under a Power Supply Agreement.

Prospective Bidders may obtain a copy of the Proposed Documents upon complete submission of the Proposal thru email at cotelco_corplan@yahoo.com and submit hard copy of the proposal at COTELCO Headquarters, Manubuan, Matalam on September 15-19, 2025, 9AM-4PM.

Prospective bidders must specify in their designated representative(s) authorized to partake in the execution of the CSP.

1. Direct Negotiation Activities and Schedules

No.	Activity	Schedule
1	Publication of Invitation for Negotiation	September 11-15, 2025
2	Submission of Proposals	September 15-19, 2025, 9AM-4PM, thru email at cotelco_corplan@yahoo.com and submit hard copy of the proposal at COTELCO Headquarters, Manubuan, Matalam
3	Evaluation of Proposals and Declaration of Winning Proponent	September 22-24, 2025
4	Finalization of PSA (EC & Winning Proponent)	October 20, 2025
5	BAC Reso Endorsing the final PSA to EC-BOD	October 21,2025
6	EC-BOD Reso Adapting BAC Endorsement and requesting NEA's issuance of Notice to Execute the Agreement (NTEA)	October 22, 2025
7	NEA Issuance of NTEA	November 27, 2025
8	Upon Receipt of NTEA, EC & Winning Proponent to sign the PSA	December 2, 2025
9	Posting of Performance Bond	December 12, 2025
10	Issuance of Notice to Proceed	December 17, 2025
11	Filing of PSA to ERC	December 31, 2025

Proposals shall be submitted in one (1) sealed main envelope containing two (2) separate sealed envelopes. The first envelope shall contain the eligibility requirements and the technical bid proposal, each enclosed in separate sealed envelopes within the first envelope. The second envelope shall contain the bid security and financial bid proposal, also each enclosed in separate sealed envelopes within the second envelope.

2. Terms of Reference

Name of Utility: COTABATO ELECTRIC COOPERATIVE INC.

Target Date of Publication (as indicated in the PSPP): September 11-15, 2025

Purpose of CSP: ☒As scheduled in the PSPP ☒ For RPS Compliance

<table>
<tr><th>TERMS OF REFERENCE</th><th>REQUIREMENT</th></tr>
<tr><td>Area/s to be Service</td><td>On-Grid</td></tr>
<tr><td>Demand Requirement</td><td>Baseload</td></tr>
<tr><td>Type of Contract</td><td>Physical Contract</td></tr>
<tr><td>Pricing Structure</td><td>Capacity-based PSA</td></tr>
<tr><td>Description/Technology</td><td>Baseload Renewable Energy (RE) source
Single or portfolio of plant/s
Accept non-RPS-eligible RE plants provided that the winning bidder issues the equivalent Renewable Energy Certificates (RECs)</td></tr>
<tr><td>Contract Term</td><td>Fifteen (15) Years from Initial Delivery Date</td></tr>
<tr><td>Target Delivery Date</td><td>December 26, 2025 or upon issuance of Provisional or Final Authority by the ERC</td></tr>
<tr><td>Bid Price in Philippine Peso per kilowatt-hour (Php/kWh)</td><td>5.20 Php/kWh</td></tr>
<tr><td>For Capacity-based PSA</td><td>The capacity-based PSA is 3 MW for Year 1 up to Year 15.
<table>
<tr><th></th><th>Hours</th><th>Contract Capacity (MW)</th><th>Contract Energy (MWh)</th></tr>
<tr><td>Regular Year</td><td>8760</td><td>3</td><td>26,280</td></tr>
<tr><td>Leap Year</td><td>8784</td><td>3</td><td>26,352</td></tr>
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<tr><td>Preferred Plant Location</td><td>To circumvent line rental fees, preferably within COTELCO's franchise area</td></tr>
<tr><td>Receiving Point</td><td>COTELCO Metering Points</td></tr>
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<td>Tariff Structure</td>
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<tr><th>Component</th><th>Unit</th></tr>
<tr><td>CRF</td><td>Php/kW/Month</td></tr>
<tr><td>FOM</td><td>Php/kW/Month</td></tr>
<tr><td>VOM</td><td>Php/kWh</td></tr>
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The Bidder must submit sample bills in excel format for the process of evaluation.
Specify formula for base fee adjustment affected by factor such as CPI & others.
No indexation or escalation on Capital Recovery Fee (CRF)
Fixed & Variable O&M fee shall be indexed in Philippine CPI
Present levelized cost of electricity for the 15 years term

Market fees should not be included as the buyer’s obligation to pay.
Line Rental shall be on the account of the Seller.
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<td>Outage Allowances per plant</td>
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Bidders shall submit its proposed outage allowance per year which shall not exceed thirty (30) days for Scheduled Outage, and fifteen (15) days for Unscheduled Outage; provided that the same shall not exceed the allowable outages for similar plant technology under ERC Resolution No. 10, Series of 2020 entitled “A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units.”
Within the Allowed Outage
The procurement of any Replacement Power within the Allowed Outage shall be the responsibility of the Buyer. The Supplier may, however, procure replacement power through other renewable sources, the cost of which shall be passed on to the Buyer.
Beyond Outage Allowance
The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, the Buyer shall be allowed to source the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower.
There will be no carry-over of any unutilized outage allowance.

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Force Majeure	An event or occurrence specified in Section 6 under Annex Appendix C2 (Template for Physical Contract) of ERC Guidelines. Additionally, in the event that the Supplier is unable to supply the Contracted Capacity, either in whole or in part, due to Force Majeure Events (FME), the Supplier may, at its discretion, secure replacement power at a contract rate or actual rate of the replacement power, whichever is lower. However, the Buyer retains the option to either accept or refuse such replacement power during such cases.
Replacement Power	Must comply with Section 15, Article V of 2023 ERC Guidelines
Form of Payment	Payment of any and all fees and charges to the Supplier may be in the form of cash, checks, and other cash equivalents. Payment made other than in the form of cash, must be in cleared funds on or before the designated due dates.
Penalty Provisions in cases of delay in construction of the power plant or commencement of commercial operation	Penalties for the Seller: • No Certificate of Compliance (COC) – Delivered energy shall be settled using NPC/TOU rates (Mindanao) • Unmet Delivery Period – The Seller shall procure an equivalent RE Certificate (REC) at the Seller's account. • Outages beyond the allowed limit – The Seller shall procure an equivalent RE Certificate (REC) at the Seller's account. • Six (6) months delayed in COD – Grounds for Termination
Reduction of Contract Capacity and /or Contract Energy	**Scenario 1:** If the Transferring Customer transfers to a Retail Electricity Supplier (RES) that is an Affiliate of the Seller, the Buyer shall be entitled to RCOA Reduction provided that: a) That the Transferring Customer was an existing captive customer of the Buyer prior to COD. b) Buyer's RCOA Reduction quantity shall be equivalent to the average monthly demand of the Transferring Customer for the 12 months immediately preceding the switching date. **Scenario 2:** If the Transferring Customer transfers to a RES that is not an Affiliate to the Seller and not an Affiliate of any of the Buyer's power suppliers, the Buyer shall be entitled to RCOA reduction provided that: a) The Transferring Customer was an existing captive customer of the Buyer prior to COD; b) The average monthly demand of the Transferring Customer for the 12 months immediately preceding the switching date c) Buyer's RCOA Reduction quantity shall be computed using the following formula:

	Formula: $$CO_{S1} = \left[\frac{CC_{S1}}{\sum CC_{ST} + WESM}\right] * SC$$ *Where:* CO_{S1} – Seller's Carve-Out (in MW) which is equivalent to the reduction of Contracted Capacity due to switching of Contestable Customer (yearly basis from interval 0001H-2400H) CC_{S1} – Contract Capacity of Seller (in MW) prior to the reduction date $\sum CC_{ST}$ – Current Aggregated Capacity (in MW) of suppliers contracted by Buyer, immediately prior to the reduction date WESM– Annual Average Exposure (Purchases, in MW) of Buyer to the Wholesale Electricity Spot Market, immediately prior to the reduction date SC – Capacity for Switching (in MW), equivalent to the Average Demand of contestable customers for the 12 months immediately preceding the reduction date. The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of COTELCO by reason of the implementation of Retail Competition and Open Access, Green Energy Option Program (GEOP), Renewable Portfolio Standards (RPS), Net Metering programs, and other similar government programs.
Prompt Payment Discount	The Buyer shall be given a PPD Equivalent to 1.5% of the Total Capacity & Energy Charges and other components of the power bill, if any, provided that the Buyer pays the power bill in full on or before the 15th day of the calendar month following the current billing period. Discount will not be part of the Rate Evaluation but rather will be included in the Bid offer in the form of a statement for the terms and conditions set forth by the respective RE Supplier.
Application Process with ERC	• Joint Filing of Application for Approval of PSA • Winning bidder shall shoulder the filing and publication costs
Regulatory Approvals	The Bidder understands that the award of the PSA shall be subject to ERC review and approval and shall make the necessary adjustments in accordance with the directive of the ERC

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<td>Other Terms & Conditions</td>
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1. The Buyer shall be entitled of Collection Efficiency Discount (CED) provided that it has complied with the following parameters:
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<tr><th>Collection Efficiency Levels</th><th>Discount (Php/kWh)</th></tr>
<tr><td>Below 75%</td><td>None</td></tr>
<tr><td>76% - 85%</td><td>0.05</td></tr>
<tr><td>86% - 95%</td><td>0.10</td></tr>
<tr><td>96% and above</td><td>0.15</td></tr>
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Conditions of CED Availment:

Buyer has no outstanding obligation to the Supplier
Must Submit a copy of its Monthly Financial and Statistical Report (MFSR)

2. Nomination Protocol - Non-binding year-ahead, month-ahead, week-ahead, and day-ahead nominations.
3. Other Terms & Conditions that may be specified in the PSA
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This erratum/amendment modify the previously advertised/posted and shall form an integral part of the Invitation. Unless otherwise expressly specified in writing, all references to times and dates shall refer to Manila time. Should any of the above dates fall on a holiday, the deadline shall be extended to the same time of the immediately succeeding Business Day. Unless otherwise expressly specified in writing, the venue of all the above shall be at the COTELCO Headquarters at Brgy. Manubuan, Matalam, Cotabato.

For further clarifications, you may contact the BAC-PSP Secretariat, ENGR. ANNALOU B. ALCARDE, via telephone (064) 521 1661, via cell +639190674611 or by sending an email inquiry address to BAC-PSP Chairman at cotelco_corplan@yahoo.com or kindly visit COTELCO Headquarters at Brgy. Manubuan, Matalam, Cotabato.

BIDS & AWARDS COMMITTEE-POWER SUPPLY PROCUREMENT (BAC-PSP)
Cotabato Electric Cooperative, Inc. (COTELCO)

Signed by:

ENGR. BALFREDO J. LAYRON
BAC-PSP Chai~~rperson~~

Noted by:

JOEL V. DE GUZMAN, JR., MBA
General Manager