

Q & A

Pre-Bid Conference: 1st Green Energy Auction Program in the Philippines

Date: 01 June 2022

9:00am-12NN via Zoom

DELIVERY DATE

NAME and AFFILIATION	QUESTIONS/COMMENTS	RESPONSES
	Will a Qualified Supplier be allowed to commence delivery at an earlier date than the Delivery Commencement Date, which it has indicated in its bid, in case its RE facility/power plant is able to achieve Commercial Operation Date ahead of its original schedule or target date?	The Delivery Commencement Period (DCP) refers to any date between 26 December 2022 up to 25 December 2025. If the plant achieved COD earlier than its Committed Date but not earlier than the prescribed DCP, the COD will be reflected in the REPA under GEAP, thus it can be paid the GET. But no REPA under GEAP will be executed for power generated earlier than the prescribed DCP.
Francis Sayre, Philnew Hydro/Philnewriver	in the "Submit Bids" form, what is the "Delivery Date", please clarify.	Refers to the Committed Date as stated in the Affidavit of Undertaking.
David Aboitiz, PVSPI	if plant goes COD before delivery date, is energy sold to wesm, or GEAP?	If the plant achieved COD earlier than its Committed Date but not earlier than the prescribed DCP, the COD will be reflected in the REPA under GEAP, thus it can be paid the GET. But no REPA under GEAP will be executed for power generated earlier than the prescribed DCP.

Dakila Maniquis, COHECO	In section 1.2 of the TOR, the contract duration is 20 years provided that it should not go beyond the service contract. Most hydropower plants have a long gestation and construction period. If the development and construction period is 12 years, then the GEA contract will be limited to just 13 years which is no longer viable for many hydro projects. Can we make the contract 20 years regardless of the remaining period of the service contract since anyway the service contracts are renewable by another 25 years?	The REPA under GEAP shall be for a period of 20 years subject to validity of the RE Contract. If the RE Contract expires or terminates earlier, the REPA will likewise automatically be pre-terminated. It will be reflected in the Bid Bulletin.
SCBP, NNBP - Arthur Aguilar	For bidders whose plant is already WESM registered and has received a Commercial Operations Date from PEMC/IEMOP, can DOE confirm that there will be no other conditions to satisfy with respect to the Supply Delivery Commencement Date obligations and that the obligations will be deemed satisfied already?	The conditions provided under the Affidavit of Undertaking (Annex D5) and requirements under the TOR shall be complied with.
Joel Lubguban, Lumino Biomass	If we missed the delivery date of the project due to apparent reason like pandemic, are we be penalized?	Any reasons for delay shall be validated. If not acceptable, penalty will be imposed.
Francis Sayre, Philnew Hydro/Philnewriver	What if the promised delivery date does not coincide w/ the actual dispatch date? What will be the implication?	The Delivery Commencement Period (DCP) refers to any date between 26 December 2022 up to 25 December 2025. If the plant achieved COD earlier than its Committed Date but not earlier than the prescribed DCP, the COD will be reflected in the REPA under GEAP, thus it can be paid the GET. But no REPA under GEAP will be executed for power generated earlier than the prescribed DCP.

DSCC/CSCC, Roderick Fernandez	Based on the GEAR Price issued by the ERC, the economic life assumed in the model is 25 years. However, in the TOR, the delivery period is 20 years. Will DOE amend the delivery period to be consistent with the economic life assumed in the GEAR price computation?	No.
Pay Wong, Trustpower	Just a clarification on the earlier questions - if the plant goes COD earlier than committed delivery date, can it request to advance the start of the REPA contract?	The Delivery Commencement Period (DCP) refers to any date between 26 December 2022 up to 25 December 2025. If the plant achieved COD earlier than its Committed Date but not earlier than the prescribed DCP, the COD will be reflected in the REPA under GEAP, thus it can be paid the GET. But no REPA under GEAP will be executed for power generated earlier than the prescribed DCP.
Pay Wong, Trustpower	Relative to Section 2.1.2 of Annex B, May we request for the definition of the terms "effective date" and "Delivery Commencement Date".	it will be clarified in the Bid Bulletin.
Joel Lubguban- Lumino Biomass	Follow up question2. Thanks for the clarification that if we cannot supply power during plant yearly shutdown, we will not be paid. Meaning, we will not be penalized during this period? Including unscheduled shutdown due to breakdown?	The ERC rules will apply
	Will a Qualified Supplier be allowed to commence delivery at an earlier date than the Delivery Commencement Date, which it has indicated in its bid, in case its RE facility/power plant is able to achieve Commercial Operation Date ahead of its original schedule or target date?	The Delivery Commencement Period (DCP) refers to any date between 26 December 2022 up to 25 December 2025. If the plant achieved COD earlier than its Committed Date but not earlier than the prescribed DCP, the COD will be reflected in the REPA under GEAP, thus it can be paid the GET. But no REPA under GEAP will be executed for power generated earlier than the prescribed DCP.

<p>Maria Victoria M. Olivar (Petroenergy) Date received: 01 June, 12:05PM</p>	<p>If the project COD is not met due to a delay in issuance of government permits, will this be considered as a Force Majeure event or FE?</p>	<p>Not necessarily a FM or FE due to the existence of EVOSS.</p>
<p>Is our understanding correct that if you cannot deliver 1 year after the declared COD due to RE supplier's own deficiencies, the performance bond will be called? Are there other penalties to be imposed to the RE supplier?</p>	<p>it will be clarified in the Bid Bulletin.</p>	
	<p>During the pre-bid conference, it was mentioned that supply under the GEAP will only start on the Delivery Commencement Date, hence, if the project/plant is completed before the Delivery Commencement Date, to confirm, a Qualified Bidder may offer the plant capacity to the WESM or to other off-takers?</p>	<p>Yes. subject to conditions under the Affidavit of Undertaking (Annex D5).</p>

Annex C: Instructions to Bidders

To avoid any ambiguity and conflicting interpretations on when a Winning Bidder is said to have failed to deliver, we suggest deletion of 3.8.1.2 since the said section seemingly provides the Winning Bidder a 1 year grace period within which to deliver the offered capacities before raising that the Winning Bidder has failed to deliver, which is not in the interest of the consumers who may suffer with power shortages if Winning Bidders are not able to deliver their committed capacities at the timelines that they committed.

The deletion of 3.8.1.2 would automatically make the Winning Bidder in default from the time of its failure to deliver the committed capacity on Delivery Commencement Date.

Suggested wording/deletion as follows:

3.8.1. There is a failure to deliver when the Winning Bidder, for reasons solely attributable to the Winning Bidder, fails to deliver the committed capacity to the WESM:

3.8.1.1 On the date of commencement of supply as provided for under the GEA Affidavit of Undertaking; or

~~3.8.1.2 For more than one (1) year from the Delivery-Commencement Date of the RE Facility under the GEA.~~

it will be clarified in the Bid Bulletin.

General Question:

1. What happens if the Winning Bidder has an existing PSA/bilateral agreement and failed to terminate their offtake contract?
2. What if the Winning Bidder can't deliver the full offered capacity on their committed date?
3. Will there be a Round 2 of GEAP? When?
4. What if the target auction capacity of other technologies was not fulfilled, are you going to allot that capacity to other technologies?
5. What happens if the offered capacity of the lowest bidder already fulfilled the target auction capacity?

1. Notice of award will be revoked if the Delivery Date has commenced and still with PSA. Bond will be called as well. 2. Partial drawing of performance bond will apply if reduction is more than 10% of the Capacity Offer. 3. Yes, intended to be conducted yearly. 4. No re-allocation of allotted capacity per grid per technology 5. The bidding for that slot/grid is completed.