



## Philippine Economic Zone Authority

Bids and Awards Committee

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**PROJECT: Supply and Delivery of Electric Energy to Cavite Economic Zone (CEZ)  
(PEZA-HO-2017-03)**

### **BID BULLETIN No. 03**

(11 September 2017)

This Bulletin is issued to modify or amend the Bid Documents and shall form an integral part of the Bid Documents. The following attachments are the official answers to the unanswered queries during pre-bid conference and additional questions from the prospective bidders:

1. Attachment "A": Resolutions to unanswered queries during pre-bid conference and addition queries from respective bidders, and
2. Attachment "B": Price Schedule (Detailed Breakdown of Bid Price).

For guidance and information of all concerned.

(Sgd.)

**J. PORFIRIO LL. YUSINGCO**

BAC Chairman

## CEZ POWER SUPPLY REQUIREMENT ( 26 Dec. 2017- 25 Dec. 2019)

Pre-bid conference dated 18 July 2017

**Resolutions to unanswered queries during pre-bid conference and additional queries from prospective bidders**

Particular	Issues & Concerns	Comments/Resolutions
<p><b>1. Page 3, Sec. 1. ITB -</b> – it states that the effective generation rate of P3.4475/kWh shall be the cap.</p>	<p><b>Phinma Energy</b></p> <p>1. Some parts of the documents allow adjustment factors (i.e., escalation on coal/exchange rates is allowed throughout the 2-year period). Does this mean that even after applying the adjustment factors, our rates will not go up more than P3.4475/kWh?</p> <p>2. Will PEZA allow single rate with no escalation factor?</p> <p><b>Masinloc Power Partners Co., Ltd. (MPPCL)</b></p> <p>3. Are taxes the only exclusions on the P3.4475/kWh?</p> <p>4. Request for enumeration of indexes to be used to avoid confusion</p> <p><b>Green Core</b></p> <p>5. Non-existence of a prescribed breakdown of bid.</p> <p>6. Whether or not PEZA will project the rate for the next 2 years and just look at the unbundled rate and</p>	<p>1. The P3.4475/kWh which is net of the PPD is the basic rate for the duration of the contract, subject to monthly adjustment, if any, and based on the variable indexes to be used.</p> <p>2. <b>No.</b> The P3.4475/kWh rate shall only be used to determine the winning bid. All variable indexes will be applied the following month after the award. Tariff adjustment formula whether upward or downward provides protection to both BUYER and SUPPLIER.</p> <p>3. VAT is the only exclusion.</p> <p>4. See attachment "B": Financial Bid form</p> <p>5. See attachment "B": Financial Bid form</p> <p>6. PEZA will just look at the unbundled rate and look for the cheapest based on March 2017. However, there will be an</p>

<p>Page 57, Section VII. Technical Specifications/TOR, item #13, it states that generation rate shall be billed by supplier based on actual metered quantity or consumption by buyer.</p>	<p>check who is the cheapest based on March 2017</p> <p><b>SN ABOITIZ – Magat, Inc.</b></p> <p>7. The effective rate is P3.4475/kWh, is it possible to submit a peak and off-peak rates as long as the effective rate is P3.4475/kWh?</p> <p>8. March 2017 is used as reference for forex, coal and CPI, can there be reference for the next 2 years for purposes of level playing field since the ABC is for guidance only? If escalation is not taken into account, the bids may not be apples to apples.</p> <p><b>Team Energy</b></p> <p>9. If the effective bid rate is <b>P3.4475/kWh</b>, and that is only the base rate, and that all other indexes will be applied in the succeeding bill. You are also asking us to unbundle that into capacity fee so forth and so on. Is this just a matter of labelling that you want to have a breakdown of? Because if I put a capacity fee on that, and I <u>didn't get to supply you</u> or you didn't get to opt it from me, will I be able to charge you for the capacity fee?</p>	<p>agreed formula to be implemented during the 2-year contract</p> <p>7. Mixed/blended rates may be submitted in addition to the <b>single bid/effective rate</b>. However, the basis for the winning bid/contracted price is the submitted single bid / effective rate.</p> <p>8. The reason why detailed computation/unbundling of rate is asked is for PEZA to know the components including the variable indexes of respective rates considering the different structures of gencos (i.e., hydro, coal, etc.). The reference to the March 2017 indexes for forex and CPI shall serve as a baseline for determining the winning single bid/effective rate. Thereafter, the winning bid shall be subject to the monthly adjustment based on the actual movement of variable indexes. In this case, we cannot make or allow for any future reference of variable indexes.</p> <p>9. Winning Bidder should make sure that all the requirements of CEZ are supplied by the contracted party <u>at contracted price</u>. As such, winning bidder can purchase or source its power/electricity from other suppliers/gencos or WESM market.</p>
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	<p><b>SN Aboitiz –Magat</b></p> <p><b>Green Core</b></p> <p>10. Does this include site specific loss adjustment (SSLA)?</p> <p>11. What do you mean by effective generation rate?</p> <p>12. It also says that it should be net of PPD/EPD of 1.5%. When we submit our bid price do we need to gross it up to include the 1.5% PPD? Or we submit the net of PPD?</p> <p>13. The single rate will apply regardless of the actual load factor?</p> <p><b>San Miguel Corp.</b></p> <p>14. So there is no need for us to indicate the lump sum amount?</p> <p>15. Clarification on the net price, because it is mentioned that the price is net of PPD, what if the bill will not be paid in full on the 10<sup>th</sup> day from receipt of the bill?</p>	<p>10. <u>YES.</u></p> <p>11. This is the rate which is already net of the prompt payment discount.</p> <p>12. Bids should be net of discount/s.</p> <p>13. Yes. The load factor of 67% is just a reference for the bidders.</p> <p>14. No need to indicate the lump sum amount.</p> <p>15. Billing and collection protocol shall be defined and agreed during negotiation with the winning bidder. However, PEZA shall guarantee through its concessionaire Meralco the advance payment of locators' power bill per prescribed period.</p>
<p><b>2. Item #15: Technical Specifications / TOR</b></p> <p>Any other pass-on charges, i.e.,</p>	<p><b>Phinma Energy</b></p> <p>1. We just want to verify that these</p>	<p><b>1 to 4. WESM and other related market charges are for the account</b></p>

<p>market fees shall be for the account of the <u>BUYER</u>.</p> <ul style="list-style-type: none"> <li>- Imbalance Energy Charge</li> <li>- Others related market/WESM charges excluding Line Rental fees</li> </ul>	<p>pass-on rates (WESM Market charges excluding line rental fee) will be for the account of the buyer?</p> <p><b>Team Energy</b></p> <ol style="list-style-type: none"> <li>2. Are all other related market charges excluding line rental fee . . . will be for the account of the BUYER?</li> <li>3. Again on page 58, Sec. VII – Technical Specifications/ TOR, item #15, this will be for the account of the buyer, the imbalance energy charge, that one we have to really clarify and define that. And also, the other market/WESM related charges. So these are the billings of PEMC? So these are passed on to you?</li> </ol> <p><b>Green Core</b></p> <ol style="list-style-type: none"> <li>4. To provide list all WESM or market related charged for the account of BUYER and SUPPLIER.</li> </ol>	<p><b>of SUPPLIER, as follows:</b></p> <ol style="list-style-type: none"> <li>1. Line rentals (LR charges),</li> <li>2. Net Settlement Surplus (NSS),</li> <li>3. Price substitution Methodology or Mechanism (PSM),</li> <li>4. Site specific loss adjustment (SSLA)</li> <li>5. Must Run Unit (MRU) / Merit Order Table (MOT), and</li> <li>6. Market fees</li> </ol> <p><i>PEZA wants a guaranteed rate and supply. Since the contract price is based on metered quantity (MQ) and PEZA is a <u>WESM indirect member</u>. Thus, all WESM charges and other market related charges as cited above shall be for the account of <b>SUPPLIER</b>.</i></p> <p>This now amends item no. 15 of Technical Specification / TOR.</p>
<p>3. No. 4. Page 58, Sec. VII – Technical Specifications/TOR, <u>item #19</u>. Increase/Decrease in Energy</p> <ul style="list-style-type: none"> <li>• xxx</li> <li>• BUYER shall apply with the SUPPLIER for such adjustment</li> </ul>	<p><b>PHINMA Energy</b></p> <ol style="list-style-type: none"> <li>1. Since the contracted energy is based on actual consumption (MQ), then this item will not be applicable anymore.</li> </ol>	<p>1-3. The notification of at least 15 calendar days shall remain.</p> <p>PEZA wants to give the winning bidder enough heads up if there is going to be a reduction or if there is going to be an increase so they can be properly alerted. But on the reduction, unless it's a</p>

<p>by serving a written notice at least 15 calendar days prior to the date when the increase/decrease will take effect.</p> <ul style="list-style-type: none"> <li>• In case of abnormal situation, BUYER shall notify SELLER for the adjustment of the energy demand at least 15 calendar days prior to the start of affected billing period.</li> <li>• Energy demand may be reduced permanently for the reasons beyond PEZA's control, i.e., closure of business of locators inside the economic zone, reduction of locators' production requirement, locators who opt to generate its own power supply from self-use/back-up gen-set and embedded renewable energy facility.</li> </ul>	<p><b>TEAM Energy</b></p> <p>2. On the TOR, while you said that the demand capacity is 87MW and that we can increase / decrease this within 15 days notification to the SELLER, does this mean that if you don't notify us beyond the 87 MW you will be charge and incremental demand charge and it will be for your account at WESM charges.</p> <p><b>c. SAN MIGUEL CORP.</b></p> <p>3. To retain the 15-day notification provided they will not be penalized.</p> <p>Notification will be used as a guide and protection of BUYER from WESM charges.</p>	<p>case of force majeure, PEZA will try to commit to the threshold of 87 MW so that if ever we will allow for any renewable energy development within the economic zone it should not be that significant.</p> <p>Further, declaration/nomination protocol shall be defined and agreed during negotiation with the winning bidder.</p>
<p>4. Page.21: ITB No. 18: BID Security</p>	<p><b>MPPCL</b></p> <p>1. For the bid security, we understand that the requirement is standard across all government agencies, is it acceptable if we only submit the bid securing declaration?</p>	<p><b>1. Yes</b></p>
<p>5. Page 10. Sec. II, ITB. Clause 5.0: Eligible Bidders</p>	<p><b>MPPCL</b></p> <p>1. Can we clarify on the statement that eligible bidders should be at least 60% Filipino-owned.</p>	<p>1. Per Legal Service memo dated 26 July 2017, it was <b>affirmed by GPPB-TSO</b> that only Filipino bidders are eligible to participate in the public bidding for the supply and delivery of electricity in CEZ in</p>

	<p><b>Team Energy</b> 2. Per letter dated July 17, 2017 – clarifying eligible bidders.</p>	<p>accordance with the <b>“Filipino First”</b> policy of the government.</p> <p>2. – do -</p>
<p>6. For Annexes A &amp; B</p> <p>Page 35, Section III. Bid Data Sheet, Clause 5.4: List of similar contracts.</p> <p>Page 35, Section III. Bid Data Sheet, Clause 5.4: List of similar contracts.</p>	<p><b>MPPCL</b></p> <p>1. Is it enough if we just list down the contracts but not furnish PEZA a copy of the contract itself for confidentiality reason?</p> <p><b>SEM-CALACA Power Corp.</b></p> <p>2. For the completed contract, since we will be providing you the contract, you will sign a non-disclosure agreement, what if the other party to that contract won't agree even with the NDA? Will the certification from them that we have completed the contract suffice?</p> <p><b>SN Aboitiz Power – Magat, Inc.</b></p> <p>3. There's a list of what is considered as similar contracts, may we know if the list is exclusive? Because we would like to inquire if the solution of an ancillary services procurement agreement which is approved by the ERC would satisfy PEZA's requirement?</p> <p><b>Aboitiz Power (AP)</b></p> <p>3. Per its letter dated 18 Aug. 2017 –</p>	<p>1. For Annex “A” – Bidders will only submit the form without attachment. For Annex “B” – Bidders shall submit the entire contract. PEZA is willing to sign a non-disclosure Agreement in case bidders will need it.</p> <p>2. We need the whole contract to comply with the COA rules. You can submit a contract with redacted provisions which you think are sensitive to you and your contracting party.</p> <p>3. Just as long as it is the supply of electricity contract, we can consider it as a similar contract.</p> <p>4. see above discussions.</p>

	<p>Clause 12.1 (a) (iii) of Sec. II, ITB requires that part of eligibility documents to be submitted by each bidder, “ a statement of all its ongoing government and private contracts, including contract awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to Bid.</p> <p><b>Solar Philippines</b></p> <p>4. Is it possible to submit a Renewable Energy Payment Agreement (REPA) for Feed-in-Tariff in lieu of EPPA, CSA or PSA?</p>	<p>4. REPA is not a power supply agreement. It merely discussed the rights and obligations of the parties in connection with the payment of actual FIT Revenue.</p>
<p>7. Page 31, Section II. Instructions to Bidders, Clause 30.3</p>	<p><b>MPPCL</b></p> <p>1. It enumerates the conditions in which a failure of bidding may be declared. If only one bid is received there is no failure of bidding. Can you consider that at least two qualified bids must be received to say that there is a successful bidding?</p>	<p>1. PEZA shall keep its option open. We decide based on what is advantageous to us/government.</p>
<p>8. Page 48, Section IV. General Conditions of Contract, Clause 17.3.</p>	<p><b>MPPCL</b></p> <p>1. On the computation of the warranty, will this be 1% of the ABC or 1% of the amount during the last billing period?</p>	<p>1. As stated in Clause 17.3, it is computed at 1% of every monthly billing for the retention money, or in case of a bank guarantee - 1% of the total contract price.</p>
<p>9. Page 36, Section III. Bid Data Sheet, Clause 8.1:</p>	<p><b>SN Aboitiz Power – Magat, Inc.</b></p>	

<p><u>Subcontracting is not allowed.</u></p>	<p>1. We just want to seek clarification that <u>subcontracting is not allowed</u>. Does this mean that the supplier of the energy is physical and that we cannot buy it from the market or from other suppliers? For example, the 87MW should all the time be coming from our plant.</p>	<p>2. This means that the winning bidder cannot altogether transfer the whole or portion of the contract for the supply and delivery of electric energy to CEZ to another entity. However, there is no decision for the winning bidder to source power supply either from WESM or its contracted supplier in providing the requirement of CEZ.</p> <p>Winning Bidder shall ensure that all the requirements of CEZ are supplied at contracted price. Thus, winning bidder can purchase or source its power/electricity from other suppliers/gencos or WESM market. This activity is allowed and it does not constitute subcontracting.</p>
<p>10. Page 48, Section IV. General Conditions of Contract, Clause 17.3: <b>WARRANTY</b></p>	<p><b>MPPCL</b></p> <p>1. On the computation of the warranty, will this be 1% of the ABC or 1% of the amount during the last billing period.</p> <p><b>SN Aboitiz-Magat</b></p> <p>2. Page 55, Section V. Special Conditions of Contract, Clause 17.3, what is the basis of the warranty?</p> <p><b>San Miguel Corp.</b></p> <p>3. Page 45, Section IV. General Conditions of Contract, Clause 10.1, is this different from the 1% mentioned in Clause 17?</p> <p><b>Aboitiz Power (AP)</b></p>	<p>1. As stated in Clause 17.3, it is computed at 1% of every monthly billing for the retention money, or in case of a bank guarantee 1% of the total contract price.</p> <p>2. The warranty covers 2 major items; a) supply of energy – to make sure that all the requirements of the locator companies are supplied by the contracted party, and b) landed cost.</p> <p>3. Section IV. General Conditions of Contract, Clause 10.1 is not applicable whereas the 1% as mentioned accounts for the bid warranty.</p>

	<p>4. Per its letter dated Aug. 18, 2017. AP claimed that the warranty set forth under Clause 17.3 of Sec. II (ITB) is not applicable to energy.</p>	<p>4. See above explanations.</p>
<p>11. Sec. II. ITB. Item 18: <b>BID Security</b></p>	<p><b>MPPCL</b></p> <p>1. For the bid security, we understand that the requirement is standard across all government agencies, is it acceptable if we only submit the bid securing declaration?</p> <p><b>Therma Luzon, Inc.</b></p> <p>2. Since the bid securing declaration is allowed, can we request for the BSD format since our bidding documents doesn't include the form?</p> <p><b>Solar Philippines</b></p> <p>3. We would like to confirm if the submission of Bid Securing Declaration alone is acceptable?</p>	<p>1. Standard requirements should be complied with to avoid irregularity</p> <p>2. The BSD format may be downloaded from PEZA website and PHILGEPS.</p> <p>3. <b>YES.</b></p>
<p>12. BDS ITB Clause 12.1(a) states that bidders should provide valid license from ERC as generator, wholesale aggregator, IPPs and/or administrator of IPP contracted capacity, and/or Retail Electricity Supplier (RES) -</p>	<p><b>Solar Philippines</b></p> <p>1. Will a licensed GENCO be required to submit a RES License?</p>	<p>1. <b>YES.</b> The only "original" documents to be submitted by the bidders are the notarized statements and the required forms. The copies shall be certified as "true copies" by the one who is authorized to sign the bid.</p>

generation company (GENCO) affiliated only.	2. Is it possible to use the license of the bidder's affiliate?	2. <b>NO.</b>
13. Section 20.3 of the BDS states that each bidder may submit <b>ONE (1) original</b> and TWO (2) copies of the first and second components of its bid.	<p><b>Solar Philippines</b></p> <p>1. With respect to the ORIGINAL, is submission of a copy of the document certified as true copy by the issuing government agency, or the Corporate Secretary, or the Treasurer of the Corporation's concerned under oath and notarized in lieu of the original acceptable? If certification by Corporate Secretary or Treasurer by a bidder (if Corporation) is acceptable, can you provide specific tenor of the Certification?</p>	<p>1. Section II, Clause 20.3 of the bidding documents refers to the sealing and marking of bids wherein the bidder or its duly authorized representative shall sign each and every envelope to be submitted. Bidders are also required to sign each and every page of their financial proposal as stated in Section II, Clause 19.4 of the bidding documents.</p>
<b>14. Other Matters</b>		
14.1. CEZ is classified as a bulk power user.	<p><b>Team Energy</b></p> <p>1. In terms of PEMC registration, how will we classify you? Will we supply you as one contestable customer or as a DU?</p> <p>2. In all likelihood you will be the direct counterpart as far as WESM is concerned?</p>	<p>1. PEZA can be both DU and a single contestable customer. However, we have limited the participation of RES only to a genco-affiliated RES. The idea is we want to expand the participation of the bidders. If PEMC will bill us a DU, that doesn't preclude us from contracting with a RES for as long as we will present to PEMC the binding supply contract, which is approved by PEZA, that should be ok. We don't want to limit it only to gencos and we know the benefit of bringing in a genco-affiliated RES because through these entities they are able to aggregate available capacities. As such, for purposes contracting we can be both as DU or single contestable customers.</p> <p>In the case of CEZ, PEMC cannot register CEZ as indirect WESM member in view of the acquisition of Dasmariñas-Abubot-Rosario sub-transmission assets (DAR-STA) by Meralco. As such, CEZ is</p>

		no longer directly connected to the GRID. Even while the DAR-STA issue with NGCP is still pending in the Court.
14.2. WESM Prudential guarantee	<b>Team Energy</b>  1. Who will shoulder the prudential guarantee of WESM	1. WESM Prudential guarantee will be for the account of the SUPPLIER.
14.3. WESM VAT Charges	<b>Green Core</b>  1. It was raised that PEZA is an indirect WESM member, but you are entitled zero-rated VAT. How do you treat the WESM payments since it's VAT inclusive, will PEZA absorb it?	1. Treatment of WESM VAT charges shall be defined and agreed during negotiation with the winning bidder. As per existing practice, PEZA- registered locator companies (under power procurement) are not exposed to VAT except for those non-PEZA entities when power purchases are subject to VAT.
14.4. Undetermined Bidder	<b>SEM-CALACA Power Corp.</b>  1. When we purchased our bid documents, we represented SEM-Calaca Power Corporation, we have a sister company Southwest Luzon Power Generation Corp., we haven't decided which company will submit a bid.	1. PEZA need to be informed immediately when decision is made.
14.5. Force Majeure?	<b>San Miguel Corp.</b>  1. Definition of and the specific events that will fall under force majeure	1. Force majeure as understood in its general and legal sense, and as provided under WESM Rules.
14.6. PhilGEPS membership	<b>San Miguel Corp.</b>  1. We are still applying for our PhilGEPS membership, in case	1. The law requires that a bidder must be PhilGEPS- registered

	we don't get our membership by August 1, is it acceptable for us to submit our application?	
14.7. CEZ's contestable customers	<p><b>Team Energy</b></p> <p>1. With the premise that there are contestable customers within the zone, will you allow these locators to source their own power sooner or later within the contract period of 2 years?</p>	<p>1. PEZA issued a circular and properly notified locator companies in the public economic zones that our contract is a closed contract. They are not covered by ERC regulations, this means that contestable customers in public economic zones cannot opt out from our binding supply contract. The only exception is Texas Instruments in BCEZ.</p> <p>For purposes of the bidding, PEZA will only entertain those Company who actually submit its bid offer.</p>
14.8. ABC	<p><b>San Miguel Corp/SN-Aboitiz Magat</b></p> <p>1. Your ABC is for one year only, what will happen to the 2<sup>nd</sup> year of our contract since you only have the budget for a year?</p> <p>2. SN-Aboitiz per its letter dated 19 July 2017 – assurance that the rest of the budget for the corresponding year of the 2-year contract is included in PEZA's budget for 2019</p>	<p>1. The ABC is just for the bidding purposes. The official effective bid rate per KWh that we will evaluate will be the basis for the award.</p> <p>2. SEC. 12 (d) of RA No. 7916, as amended by RA No 8748. Function and Power of PEZA Board includes <b>Approval of PEZA's annual budget and the ecozone development plan.</b></p> <p>Also, SEC. 19 of the said law RA7916. Disbursement of Funds provides that – No money shall be paid out of the funds of any ECOZONE except in pursuance of the budget as formulated and approved by the PEZA.</p> <p>This means that PEZA Board set and approve its own budget without seeking DBM's approval, hence it does not request budget from DBM.</p>
14.9. Sec. II, ITB, Sec. 4: Conflict of Interest	<p><b>SN-Aboitiz</b></p> <p>1. SN-Aboitiz per its letter dated 19 July 2017 – sought clarification</p>	<p>1. BAC confirmed that <b>no conflict of interest</b> will apply if both SN-Aboitiz and Therma Co. will participate in the bidding.</p>

	relative to the conflict of interest of SN-Aboitiz and Therma Luzon Inc. being under the umbrella of Aboitiz group of companies. Both supplier expressed their interest to supply and deliver power to CEZ.	
15.		

/meas9.11.17

**PRICE SCHEDULE  
(DETAILED BREAKDOWN OF BID PRICE)**

**Effective generation rate = Base generation rate (BGR) + Tariff Adjustment (TA) – 1.5 %  
PPD**

**A. Price Components**

Bidder shall specify the Tariff Structure unbundled to Capacity Fees, Variable and Fixed Operating and Maintenance (O&M) Fee, Fuel Fee and other applicable charges. The Bidder must also specify the **tariff adjustment formula**, if any and applicable adjustments in percent (%) that each component is being affected by factor such as CPI, FOREX and Escalation due to Fuel Degradation and others as shown below and as specified:

	PH CPI	US CPI	Foreign Exchange	Fuel Escalation	Others (please specify)
<b>Capacity-related Fees</b>					
Capital Recovery Fee	[ ]%	[ ]%	[ ] %	N/A	N/A
Fixed Operation and Maintenance	[ ] %	[ ] %	[ ] %	N/A	[ ] %
Other Capacity Fee-related fees (please specify)	[ ] %	[ ] %	[ ] %	N/A	[ ] %
<b>Fuel and Energy-related Fees</b>					
Fuel Fee	[ ] %	[ ] %	[ ] %	[%]	[ ] %
Variable Operation and Maintenance	[ ] %	[ ] %	[ ] %	N/A	[ ] %
Other Energy Fee-related fees (please specify)	[ ] %	[ ] %	[ ] %	N/A	[ ] %

**B. Parameters based on based on March 2017 level (Tariff Adjustment Formula)**

1. Price Indexation indicating the percentage of the price component that escalates and will be indexed to a specific reference market/consumer price or parameters base on **March 2017 level**, as provided below:

Foreign Exchange	PhP50.275:US\$1.00
Philippine Consumer Price Index (All Items)	147.50
US Consumer Price Index	243.801
Coal (Global Newcastle Index)	USD 80.90 per MT
Natural Gas (Malampaya Gas Price )	USD 7.0289 per mmbtu
No reference fuel prices shall be used for power supply from renewable energy sources.	

- Notes:**
- a. Capital Recovery component of Bid Price shall not be indexed.
  - b. The offered rate of the Bidders must use the above parameters/references and specify all the components.
  - c. Bidders' offered rate should be:
    1. Net of prompt payment discount (PPD) or early payment discount (EPD) of 1.5%;
    2. Inclusive of FBHC of P0.0245/kWh, if applicable, DOE fee of P0.0/kWh per ER1-94, and
    3. All WESM and other related market charges are for the account of the SUPPLIER, as follows: line rentals (LR charges), net settlement surplus (NSS), price substitution methodology or mechanism (PSM), site specific loss adjustment (SSLA), must run unit (MRU) / merit order table (MOT), and market fees.