

## TERMS OF REFERENCE GREEN ENERGY AUCTION - 1

The Department of Energy (DOE), through the Green Energy Auction – Bids Evaluation and Awards Committee (GEA-BEAC), invites Qualified Suppliers to participate in the Green Energy Auction - 1 (GEA - 1) pursuant to Department Circular No. DC 2021-11-0036, entitled “Providing the Revised Guidelines for the Green Energy Auction Program (GEAP) in the Philippines” (the “GEAP Guidelines”).

This Terms of Reference (TOR) supplements the provisions of the GEAP Guidelines as provided under Sections 9.3 and 9.5 thereof.

This TOR includes the following annexes:

Annex A: Auction Design

Annex B: Bonds

B1: Bid Bond

B2: Performance Bond

B2.1: Irrevocable Standby Letter of Credit

B2.2: Form of Drawing Certificate

Annex C: Instruction to Bidders

Annex D: Bidding Data, Forms and Templates

Brief description of Auction Design is provided in Annex A for illustration.

### 1. GENERAL SUPPLY DESCRIPTION

#### 1.1. Auction Capacity Requirement (MW)<sup>1</sup>

RE Resource Type	Luzon (Lot 1)	Visayas (Lot 2)	Mindanao (Lot 3)
a) Hydro	80	-	50
b) Biomass	60	120	50
c) Solar	900	260	100
d) Wind	360	20	-
<b>Total (MW)</b>	<b>1,400</b>	<b>400</b>	<b>200</b>

<sup>1</sup> The capacity to be offered in the bid shall refer to the Pmax or the maximum stable load of the RE facility.

## 1.2. Supply Delivery Period

Twenty (20) years provided that it shall not go beyond the term of the RE Contract.

## 1.3. Delivery Commencement Date

The Delivery Commencement Date shall be any date between 26 December 2022 and 25 December 2025.

## 1.4. Type of RE Resource/Technology

The RE Facility must be RPS-eligible and qualified under Section 6.1 of the GEAP Guidelines

## 1.5. Cost and Tariff Structure

The cost shall be in PHP/kWh corresponding to each bidder's Green Energy Tariff (GET), on a pay-as-bid basis, per lot or Grid, and per RE technology.

## 2. REGISTRATION OF QUALIFIED SUPPLIER

### 2.1. Registration Period

The filing of registration by Qualified Suppliers shall be conducted for a period of ten (10) calendar days which shall commence on the date that will be specified upon posting of this TOR at the DOE website.

### 2.2. Registration Requirements and Procedures

2.2.1. The Qualified Supplier shall address its Letter of Intent (LOI) to the Chairperson of the GEA-BEAC following the prescribed template provided in Annex D2.

2.2.2. The LOI, duly filled-out Registration Form and documentary requirements (Annex-D1) shall be submitted electronically through [gea1.2022@doe.gov.ph](mailto:gea1.2022@doe.gov.ph). Copy furnished Records Management Division. An Affidavit of Undertaking of no legal impediments shall comply with the prescribed template (Annex D3).

2.2.3. The received email time-stamp shall be the basis in determining the timeliness of filing. An auto-generated email of acknowledgment of submission shall serve as a notice to the Qualified Supplier.

2.2.4. Any submission made after 12:00 midnight of the 10<sup>th</sup> day of registration shall not be considered or accepted.

2.2.5. Subsequent submission of lacking documents whether it was made within the prescribed registration period shall not be allowed.

### **3. PRE-BID EVALUATION**

- 3.1. The GEA-BEAC through its Technical Working Group shall evaluate the registration documents within five (5) working days from the last day of registration.
- 3.2. The evaluation process shall be non-discretionary in nature based on the presence or absence of required documents.
- 3.3. Failure to submit any required documents or submission of unacceptable document (e.g., unnotarized when notarization is required) shall be a ground for disqualification.
- 3.4. Within two (2) working days from the determination of the results of pre-bid evaluation, the GEA-BEAC shall post the list of Qualified Bidders in the DOE website and issue the user-specific IDs to the Qualified Bidders electronically.
- 3.5. Within one (1) working day from the date of posting of the List of Winning Bidders, the GEA-BEAC shall notify in writing the Qualified Suppliers who failed to comply with the registration requirements stating therein the grounds for disqualification.

### **4. PRE-BID CONFERENCE**

- 4.1. The GEA-BEAC shall virtually conduct a Pre-Bid Conference which schedule shall be posted in the DOE website upon release of the List of Qualified Bidders.
- 4.2. Qualified Bidders may raise questions or clarifications on the TOR which may be addressed directly therein.
- 4.3. The GEA-BEAC shall issue a Bid Bulletin to be posted in the DOE website within two (2) working days from the conduct of Pre-Bid Conference should the questions or clarifications resulted in the modification or amendment of the TOR.

## 5. AUCTION PROPER

### 5.1. Schedule of Activities

5.1.1. The GEA-BEAC shall post in the DOE website the schedule of the Auction Proper which shall be held not later than five (5) calendar days from the date of Pre-Bid Conference.

5.1.2. The Auction Proper shall have the following timeline with corresponding activities:

8:00 AM	Confirmation to Participate
9:00 AM	Opening of Electronic Bidding Platform to Qualified Bidders
9:00 AM	Start of Bid Submission
11:00 AM	Close of Bid Submission
12:00 NN	Posting of summary of Submitted/Accepted Bids in the platform which will remain open to logged-in Qualified Bidders until 3:00 PM of the same day.

### 5.2. Bid Bond and GEA Affidavit of Undertaking

5.2.1. No Qualified Bidder shall be allowed to place a bid without prior posting of bid bond and execution of Affidavit of Undertaking.

5.2.2. Qualified Bidders shall have until 12:00 NN of the last working day prior to the date of the Auction Proper to submit to the GEA-BEAC via email at [gea1.2022@doe.gov.ph](mailto:gea1.2022@doe.gov.ph) an electronic copy in pdf file of the following:

5.2.2.1. Proof of posting of the Bid Bond in the amount specified in Annex D, and

5.2.2.2. The GEA Affidavit of Undertaking executed in accordance with the prescribed template provided in Annex D5.

5.2.3. Failure to submit proof of posting of Bid Bond and the Affidavit of Undertaking within the prescribed period shall deny the Qualified Bidder an access to place a bid in the bidding platform.

### 5.3. Auction Platform and Procedures

- 5.3.1. This auction will be done through an Electronic Bidding Platform where Qualified Bidders shall gain access to their bid submission interface using a user-specific ID to be issued to the authorized representative of each Qualified Bidder.
- 5.3.2. The Electronic Bidding Platform shall feature a user interface with user-editable cells to enter the bid information. The interactive Bid Form in the platform must be completed in the manner indicated therein with all the required information filled out correctly and accurately. Upon clicking the "Submit" button in the interface, the Qualified Bidder will be prompted to confirm its bid submission. Once the bidder has confirmed, its bid will be submitted, timestamped, and stored in the Electronic Bidding Platform's database.
- 5.3.3. Qualified Bidders shall place their bids with capacity (in MW with three decimal places), price (in PHP/kWh with four decimal places) and target supply Delivery Commencement Date<sup>2</sup> through the Electronic Bidding Platform, using their user-specific IDs provided by the GEA-BEAC.
- 5.3.4. Bids with a price offer higher than the prescribed Green Energy Auction Reserved (GEAR) price shall be discarded automatically for being non-responsive.
- 5.3.5. Bids containing a supply Delivery Commencement Date that does not coincide with that indicated in the approved Work Program/Plan of the registered RE Facility/Project shall be accepted.

### 5.4. Receipt of Bids

- 5.4.1. The GEA-BEAC shall invite the presence of two (2) representatives from participating Qualified Bidders who shall observe the proceedings on the date set for the opening and ranking of bids. The Qualified Bidders may register their observations with the GEA-BEAC within three (3) calendar days from the date of the proceeding. The GEA-BEAC shall act on the observations made as the circumstances warrant.
- 5.4.2. The Qualified Bidder shall email at [gea1.2022@doe.gov.ph](mailto:gea1.2022@doe.gov.ph) the names of its two (2) representatives who shall be provided log-in accounts for purposes of observing the proceedings only.

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<sup>2</sup> The supply Delivery Commencement Date shall be considered complete and compliant upon the WESM registration of the Winning Bidder which shall commence at the Commercial Operation Date of the RE facility/power plant as issued by the Market Operator

- 5.4.3. A single account shall be given per Qualified Bidder per RE Facility offered to log in the Electronic Bidding Platform. The Qualified Bidder may allow another user of the account as a back-up but only one logged account can submit a bid.
- 5.4.4. The initial results of Bids Submitted/Accepted, ranked according to price and stacked according to respective RE Technology, will be made available for viewing by the Qualified Bidders in the Electronic Bidding Platform.
- 5.4.5. The access of the Qualified Bidders to the Electronic Bidding Platform's Bid Submission page shall be terminated at the closure of submission of bids. Qualified Bidders may view in the Electronic Bidding Platform the names of Qualified Bidders who submitted bids until the close of viewing time.

## **6. ELECTRONIC BIDDING PLATFORM CONTINGENT EVENTS**

- 6.1. If the Electronic Bidding Platform is not available at the date and time set for the Auction Proper.
- 6.1.1. The GEA-BEAC will re-schedule the online auction which new schedule will be announced within two (2) working days after the original auction schedule.
- 6.1.2. If no schedule can be set for an online auction, the GEA-BEAC may proceed with the physical submission of bids. Within five (5) working days from the original auction date, the GEA-BEAC shall announce the date and venue for the physical submission of bids.
- 6.1.3. Submission of Bids Outside the Electronic Bidding Platform
- 6.1.3.1. The Qualified Bidders shall submit on the specified date and time their bids following the Bid Form provided in Annex D4 hereof to the GEA-BEAC either physically or electronically, as the case may be.
- 6.1.3.2. If the GEA-BEAC requires the submission of bids through any other online submission or electronic means, the Qualified Bidder shall submit electronic copy of its bid in pdf file or any secured format. An electronic copy that cannot be opened or is corrupted shall be considered non-responsive and, thus, automatically disqualified.
- 6.1.3.3. The GEA-BEAC shall open the Bids in public at the time, date, and place specified in the announcement not later than 30 minutes after the close of submission of bids. The Qualified Bidders' representatives who are present shall sign a register

evidencing their attendance. In case videoconferencing, webcasting or other similar technologies will be used, attendance of Qualified Bidders shall likewise be recorded by the GEA Secretariat.

6.1.3.4. In case the Bids cannot be opened as scheduled due to reasons beyond the control of the GEA-BEAC, the rescheduling will be announced through a Bid Bulletin to be posted at the DOE website.

6.2. If the Electronic Bidding Platform becomes unavailable at the time set for the viewing of the Summary of Submitted/Accepted Bids

6.2.1. The GEA-BEAC shall set a new time and date for such viewing and renew the Qualified Bidders' login credentials for this new schedule.

6.2.2. If such online access is still unavailable, the GEA-BEAC will schedule a presentation of the initial results in public.

## 7. EVALUATION OF BIDS

7.1. Immediately after the closure of submission of bids, the GEA-BEAC shall open the bids submitted and stored in the Electronic Bidding Platform by the sequence of submission.

7.2. The Electronic Bidding Platform shall not accept bids submitted beyond the deadline which is the closure of the submission of bids.

7.3. Ranking of Offers

7.3.1. The offers received will be ranked automatically by the Electronic Bidding Platform from the lowest to the highest bid price, and stacked corresponding to the respective RE technology per grid until the corresponding Auction Capacity Requirement is met. For clarity, the lowest bid prices are the first ones to be considered to meet the Auction Capacity Requirement. In case of a tie in price offers, the bids will be ranked in accordance with the tie-breaker rules under Section 7.3.2.1.

7.3.2. The following rules for breaking a tie and for a marginal offer shall apply:

7.3.2.1. Tie-Breaker. In case of a tie in price offers, the bids will be ranked according to the target supply Delivery Commencement Date, the earlier date shall be ranked first in the sorted list. Should a tie still exists, the ranking of bids shall be based on the bid timestamp where the bid that was offered earlier shall be ranked first.

7.3.2.2. Marginal Offer. In case the quantity offered by a bidder becomes the marginal offer, but the offered quantity breaches the Auction Capacity Requirement after ranking and stacking of offers, the bidder's full offered quantity will be included as a winning bid, provided that, the excess quantity offered by the bidder shall not be more than 20% of the Auction Capacity Requirement of the RE Facility per Grid. Otherwise, the bidder may opt to:

- i. Agree to a reduced capacity without modifying its bid price; or
- ii. Withdraw from the auction without forfeiting its Bid Bond. In case when the bidder opted to withdraw, the next bidder shall be considered subject to the same conditions in this section.

7.3.2.3. Several "Marginal Offers" caused by equal price offers at auction volume margin. The Tie-Breaker rule shall be applied according to the preceding section.

7.3.2.4. If tie exists in terms of price, Delivery Commencement Date and timestamp in the marginal offer, the marginal volume shall be distributed proportionately according to offered capacity subject to the options provided under Section 7.3.2.2.

7.3.3. For the next three (3) hours, the Bidders' will have viewing access to the Electronic Bidding Platform's after which time the Bidders' access will be terminated.

7.3.4. The GEA-BEAC Technical Working Group (TWG) shall validate the bids in the ranked list which cumulative capacities achieved the Auction Capacity Requirement per RE technology per Lot/grid.

## 8. NOTICE OF AWARD

8.1. The Notice of Award shall be issued by the DOE Secretary within five (5) working days from the endorsement of the GEAC of the recommendation of the GEA-BEAC of the results of evaluation of bids.

8.2. The Qualified Bidders whose bids or offers are found to be the most responsive shall be declared and notified as the Winning Bidders and shall be posted in the DOE website.

8.3. The DOE shall award the Winning Bidder a Certificate of Award, which shall indicate the Winning Bidder's name, name and location of RE Facility/Project, capacity offered, delivery commencement date and Green Energy Tariff.



- 8.4. The Winning Bidder shall submit the corresponding Performance Bond covering the RE Facility/Project in the Certificate of Award to guarantee its performance to deliver the bid capacity on the declared commencement date.

## **9. SUBMISSION OF POST-AUCTION DOCUMENTS**

- 9.1. Within thirty-five (35) days from the posting of Notice of Award, the Winning Bidders shall submit to DOE the original copy of the GEA Affidavit of Undertaking and the original copy of the corresponding Performance Bond which amount shall be determined based on the formula in Annex D and in accordance with the requirements in Annex B.
- 9.2. Bid Bonds shall be returned immediately to the Winning Bidder who posted the required Performance Bond prior to the expiration of the Bid Bond.
- 9.3. The Certificate of Award shall be released to the Winning Bidder upon posting of the Performance Bond, duly submitted to and received by the DOE through the GEA-BEAC.
- 9.4. Failure of the Winning Bidder to post the Performance Bond within the prescribed period shall result in the forfeiture of the award and shall bar the bidder from offering the same RE Facility in the future Green Energy Auctions.

## **10. EFFECTS OF FORCE MAJEURE OR FORTUITOUS EVENTS AFTER THE ISSUANCE OF CERTIFICATE OF AWARD**

- 10.1. 'Force Majeure' or 'Fortuitous Event' (FM or FE) refers to an extraordinary event not foreseeable or avoidable, or to an event that could not be foreseen, or which, though foreseen, is inevitable to happen on the part of the Winning Bidder, and is beyond the will, control, participation, and influence of the Winning Bidder.
- 10.2. This further refers to an event or circumstance generally caused: (a) by nature, such as but not limited to, fires, floods, typhoons or other catastrophes, or natural calamities; and/or (b) by the acts of man, such as but not limited to, war, national emergencies, revolution, riot, insurrection, civil unrest, or any other similar violent or threatening actions. It may likewise pertain to any analogous event that may relate to a power system emergency or transmission system issue that shall affect the continuity of delivery of power by the Winning Bidder.
- 10.3. The party affected by FM or FE shall be excused from the performance of its obligations to the extent caused by such FM or FE, and not be liable for any delay or damages arising from such failure to perform.

- 10.4. A Winning Bidder affected by FM or FE shall be granted an extension to commence delivery of supply. Such extension period shall be equivalent to the duration of FM or FE. Failure to deliver after the period of extension shall cause the calling of the Performance Bond in full or in part.

#### **11. ISSUANCE OF CERTIFICATE OF ENDORSEMENT FOR GREEN ENERGY TARIFF (COE-GET).**

- 11.1. The Winning Bidder of existing RE Facility may apply for COE-GET with the DOE subject to the submission and validation of the following:

- 11.1.1. Proof of WESM registration
- 11.1.2. Copy of the GEA Certificate of Award

- 11.2. For new RE Facility, the following procedures shall apply:

- 11.2.1. Submission of proof of WESM registration
- 11.2.2. Submission of a copy of the GEA Certificate of Award
- 11.2.3. Confirmation of Successful Commissioning

- 11.3. The COE-GET shall be processed according to Section 6 of Department Circular No. 2013-05-0009.

- 11.4. After securing the COE-GET, the Winning Bidder/s shall comply with the procedures outlined in ERC Resolution No. 16, Series of 2014. For purposes of securing a Certificate of Compliance from the ERC and the execution of REPA with the FIT-All Fund Administrator, the COE-GET shall be considered, interpreted, and accepted as the same Certificate of Endorsement for FIT Eligibility.