

INVITATION TO BID

I. Background of AKELCO Power Requirement

Pursuant to the Department of Energy (“DOE”) Department Circular No. DC2023-06-0021, Series of 2023 and Energy Regulatory Commission (“ERC”) Resolution No. 16, Series of 2023, Aklan Electric Cooperative, Inc. (AKELCO, through its Bids and Awards Committee for competitive selection process for the procurement of power supply (“CSP BAC”), is conducting a Competitive Selection Process (“CSP”) for the procurement of 10 MW (Baseload) of contract capacity to be supplied for a term of 15 years commencing on March 26, 2026. The CSP is conducted to seek the most advantageous price and contract terms for the supply of 10 MW to AKELCO’s franchise area for the period of 15 years.

II. Instruction to Bidders

The Bidder shall be a Generation Company (GenCo) or a company that owns and/or operates existing and operational power plant(s) in the Philippines or in other countries and have enough capacity to provide the requirement based on the Terms of Reference.

Bidders interested to participate in this CSP may acquire the Bidding Documents from November 16, 2025 until December 1, 2025 during Mondays to Fridays from 8:00 AM to 5:00 PM, upon payment of the non-refundable Bidding Documents Fee (Participation Fee) in the amount of Php 250,000.00 (VAT-inclusive and net of creditable withholding tax). In addition, interested participants will be required to submit the accomplished Verified Expression of Interest and Confidentiality Undertaking and Consent Form for Data Privacy, downloadable through this link:

<https://drive.google.com/drive/folders/1XrDwj4IfOpY9x0fPk9kYiCgY4w2P6h9n?usp=sharing>

Two (2) original copies of the Verified Expression of Interest, Confidentiality Undertaking and Consent Form for Data Privacy, and the proof of payment shall be submitted to the AKELCO CSP BAC Secretariat at the AKELCO Main Office at Mayor Saturnino G. Fernandez compound, Poblacion, Lezo, Aklan.

For Interested Bidders intending to join as a Joint Venture or Consortium, each member of the Joint Venture or Consortium must submit the Verified Expression of Interest, Confidentiality Undertaking and Consent Form for Data Privacy. The members of the Joint Venture or Consortium shall submit an Undertaking to Bid as a Joint Venture and select a Lead Bidder, who shall pay the non-refundable participation fee on behalf of the Joint Venture or Consortium. The template Undertaking to Bid as a Joint Venture can be downloaded from this link:

<https://drive.google.com/drive/folders/1V8BRdQTrlvKy9scWh4zzNBzUWZdC7dpm?usp=sharing>

Only the Bidders who comply with the above-mentioned requirement shall be allowed to participate in this CSP and be issued the Bidding Documents provided by the Secretariat through a google drive link or hard copies, at the option of the bidder.

Payments shall be made through fund transfer or deposit to the CSP-BAC BDO bank account AKLAN ELECTRIC COOPERATIVE INC – CSP, account number **047420011084** and submission of proof thereof to csp@akelco.com.ph copy furnish to: corplandiv@akelco.com.ph.

Submission of Bids

The AKELCO CSP BAC Secretariat shall only accept bid proposals on or before 8:30 AM of the scheduled opening of bids. Bid proposal received after the said deadline would be returned to the bidder unopened and marked as “REJECTED”. Bid envelopes should be personally submitted by the bidder or its authorized representative together with the original copy of the Special Power of Attorney and/or Secretary’s Certificate duly notarized to the BAC Secretariat at Besana Hall, AKELCO Main Office, Mayor Saturnino G. Fernandez compound, Poblacion, Lezo, Aklan within the prescribed period of submission. Any other modes of submission are not allowed. Authority granted to the bidder’s representative should not be further delegated.

Bidders shall submit their proposals in one (1) sealed Main Envelope containing the two (2) separate sealed Bid Envelopes. The Main Envelope shall be addressed to the AKELCO CSP BAC Chairperson, Atty. Mega M. Arcenio, CPA, and shall be further labelled containing the following information:

Mayor Saturnino G. Fernandez Compound
Poblacion, Lezo, Aklan

TeleFax: (036) 274-7275 / 275-8327
Hotline: 144 Text Hotline: 09074223629

www.akelco.com.ph
kahayag@akelco.com.ph

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- Name of the Bidder;
- Address of the Bidder;
- Name and Signature of the Authorized Representative; and
- Title of the Project that the Bidders intend to join.

The first envelope shall be labelled as “Envelope 1” and shall contain the Bidder’s Eligibility Requirements and Technical Proposals. The second envelope shall be labelled as “Envelope 2” and shall contain the Bidder’s Financial Proposal and Bid Security.

The BAC or Joint BAC shall ensure that this circumstance is recorded in the minutes of the bid opening.

III. Terms Of Reference:

Below are minimum contract requirements of AKELCO for the supply of 10MW Baseload for the period of 15 years.

Terms of Reference	REQUIREMENT
Areas to be Serviced	Coverage Areas served by AKELCO (On-Grid)
Demand Requirement	10 MW Baseload
Type of Contract	Physical Power Supply Agreement (PSA)
Pricing Structure	Capacity-based payments for the Capital Recovery Fee (CRF) and Fixed Operation and Maintenance Fee (FOMF) components. Variable Operation and Maintenance Fee (VOMF) and Fuel Fee (FF) components, if any, shall strictly be based on Actual Energy Delivered.
Contract Term (The contract terms shall be reckoned from the Target Delivery Date)	15 years
Target Delivery Date	The Winning Bidder shall commence delivery on the later of the following dates: 1. 26 March 2026; or 2. The 26th day of the same month if the Energy Regulatory Commission (ERC) issues a Provisional Authority (PA) or Interim Relief (IR), as applicable, on or before the 25 th of said month; otherwise, the 26th day of the immediately succeeding month.
Bid Price in Philippine Peso per kilowatt-hour (Php/kwh)	For the purpose of evaluation, the Levelized Cost of Electricity (“LCOE”) rate, in Php/kWh, shall be subject to a Reserve Price, which shall only be revealed during the opening of the bids.
Contracted Demand (MW)	10 MW
Nominated Plant Location	Bidder must nominate one (1) Physical Power Plant to supply its Offered Contract Capacity. Bidder’s Nominated Physical Power Plant should be in operation no later than December 2024 and the Bidder shall submit its 2024 Generation Company Management Report (GCMR) as proof thereof. As of Bid Submission Date, the Bidder’s Nominated Physical Power Plant must be technically capable of producing the Bidder’s Offered Contract Demand for this Transaction. The Bidder’s Nominated Physical Power Plant must be capable of generating its capacity for twenty-four hours a day and seven days a week (24/7). This Transaction shall be open to all kinds of technology that can technically and adequately supply the baseload requirement of the Buyer.
Tariff Structure	The Total Generation Charge (TGC) shall be unbundled into components as follows: $TGC = CRF + FOMF + VOMF + Fuel\ Fee$ Capital Recovery Fee (CRF) shall be expressed in Philippine Peso and calculated as the product of Capital Recovery Rate (CRR), in Php/kWh, and the Maximum Energy off-take (MaxEOT) for the billing month. No form of indexation shall be allowed for the CRR. $CRF = CRR * MaxEOT$ $MaxEOT = Contracted\ Demand * [(No\ of\ Billing\ Days * 24\ hours) - H_o - H_{FM}]$ $H_o = \begin{cases} No.\ of\ Outage\ Hours \\ In\ case\ of\ Partial\ delivery, \sum_{i=1}^n \left(\frac{Hourly\ Nominated - Actual\ Delivery}{Contracted\ Demand} \right)_i \end{cases}$ $where\ i = the\ affected\ hours$ The Fixed Operation and Maintenance Fee (FOMF) shall be calculated as the product of the Maximum Energy Off-take (MaxEOT) and the Fixed Operation and Maintenance Rates (FOMR). The FOMR may be annually adjusted based on the Philippine Consumer Price Index (CPI _{Ph}). In the event that the FOMR comprises both escalating and non-escalating portions, only the k th percentage corresponding to the portion subject to adjustment shall be escalated, while the remaining components shall remain fixed. $FOMF = [\{ (FOMR_{PhP} * k^{th}) * Factor\ CPI_{Ph} \} + \{ FOMR_{PhP} * (1 - k^{th}) \}] * MaxEOT$



	<p>The Variable Operation and Maintenance Fee (VOMF) may consist of both local and foreign components. It shall be calculated as the product of the Actual Energy Delivered (AED) and the sum of the local and foreign Variable Operation and Maintenance Rates (VOMR). The local component of the VOMR may be adjusted based on the Philippine Consumer Price Index (CPI_{PH}), while the foreign component may be adjusted based on the US Consumer Price Index (CPI_{US}) and the applicable foreign exchange rate. In the event that the VOMR (both local and foreign) comprise both escalating and non-escalating portions, only the kth percentage corresponding to the portion subject to adjustment shall be escalated, while the remaining components shall remain fixed. The foreign exchange rate shall be based on the monthly average rate for the billing month as published by the Bangko Sentral ng Pilipinas.</p> $VOMF = \left[\left\{ (VOMR_{PHP} * k^{th} * Factor\ CPI_{PH}) + (VOMR_{PHP} * (1 - k^{th})) \right\} + \left\{ (VOMR_{USD} * k^{th} * Factor\ CPI_{US}) + (VOMR_{USD} * (1 - k^{th})) \right\} * Forex \right] * AED$ <p>The Fuel Fee is the product of the Fuel Fee Rate (FFR) and the Actual Energy Delivered.</p> $Fuel\ Fee = FFR * Actual\ Energy\ Delivered$ <p>The Fuel Fee shall be a pass through component of the price.</p> <p>The FFR shall be computed as the product of the Actual Consumption Rate or the ERC-approved Consumption Rate, whichever is lower, and the actual Fuel Cost, inclusive of non-fuel commodity costs, for the billing month supported by official invoices, fuel supply agreement/s, fuel delivery report/s, and other documents which Buyer may require to verify the Fuel Cost.</p> $FFR = A * Fuel\ Cost$ <p>where:</p> $A = Min(Actual\ Consumpition\ Rate\ (CR), ERC\ approved\ CR)$ <p>For the purpose of evaluation, Bidders should provide its actual Fuel Cost (inclusive of fuel commodity and non-fuel commodity costs) from July to September 2025. Bidders shall submit a breakdown of its actual Fuel Cost in Php/kWh, following the template provided by the AKELCO CSP BAC, substantiated by official invoices.</p> <p>Value Added Tax (VAT) and Other Charges: Except for VAT, which shall be a pass-through component of the price, all other taxes and government dues, the WESM market fees, and ER 1-94 (Benefits to Host Community) shall be to the account of the Winning Bidder.</p>																														
Outage Allowance	<p>Bidders shall submit its committed Outage Allowance ("OA"), either Planned and/or Unplanned, provided that the same shall not exceed the following allowable outages:</p> <table><tr><th>Plant Technology</th><th>Planned (hours)</th><th>Unplanned (hours)</th></tr><tr><td>Pulverized Coal</td><td>669.6</td><td>403.2</td></tr><tr><td>Circulating Fluidized Bed</td><td>369.6</td><td>405.6</td></tr><tr><td>Combined Cycle</td><td>300.0</td><td>184.8</td></tr><tr><td>Gas Turbine</td><td>156.0</td><td>544.8</td></tr><tr><td>Diesel</td><td>120.0</td><td>336.0</td></tr><tr><td>Geothermal</td><td>144.0</td><td>328.8</td></tr><tr><td>Hydro-electric</td><td>554.4</td><td>163.2</td></tr><tr><td>Oil-Fired Thermal</td><td>739.2</td><td>667.2</td></tr><tr><td>Biomass</td><td>784.8</td><td>168.0</td></tr></table> <p>Scheduled Outages must be scheduled in accordance with the most recent DOE-approved Grid Operating and Maintenance Program.</p> <p>There will be no carry-over of any unutilized OA for the following years.</p> <p>For evaluation purposes, the Bidder's submitted OA shall be considered in calculating the LCOE.</p>	Plant Technology	Planned (hours)	Unplanned (hours)	Pulverized Coal	669.6	403.2	Circulating Fluidized Bed	369.6	405.6	Combined Cycle	300.0	184.8	Gas Turbine	156.0	544.8	Diesel	120.0	336.0	Geothermal	144.0	328.8	Hydro-electric	554.4	163.2	Oil-Fired Thermal	739.2	667.2	Biomass	784.8	168.0
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Force Majeure	<p>Event/s of Force Majeure are extraordinary events or circumstances which are not foreseeable or though foreseen, are inevitable and are beyond the will, control, participation, and influence of the affected party. The affected party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA (including any obligation of the Buyer to pay the generation charge for the duration of the Force Majeure event) for so long as the failure to perform such an obligation shall be due to an Event of Force Majeure.</p> <p>The events of and the effect of Force Majeure on the obligations of the parties shall be provided in the PSA in accordance with the ERC 2023 CSP guidelines.</p>																														
Replacement Power	<p><u>In case of delay in the commencement of delivery of supply due to Seller's fault</u></p> <ul style="list-style-type: none">Seller shall provide the Replacement Power up to the Contracted Demand during the period of delay. 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.If the Seller fails to nominate its replacement power, Buyer shall procure replacement power from other sources at the expense of the Seller, inclusive of line rental, based on the contracted demand. <p><u>During Allowed Outage</u></p> <ul style="list-style-type: none">The procurement of any Replacement Power within the Allowed Outage shall be the responsibility of the Buyer. During such outage, Buyer shall source Replacement Power from other suppliers or from the WESM, at its own expense.The Seller may offer to provide Replacement Power, subject to the approval of the Buyer, during an Allowed Outage. 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 <p><u>Beyond Allowed Outage</u></p> <ul style="list-style-type: none">The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. Seller shall supply or cause the supply to the Buyer Replacement Power at its own cost, including the line rental. However, the Buyer shall pay the Seller the actual cost of Replacement Power or the approved rate for the PSA, whichever is lower. <p><u>In Case of Partial Delivery</u></p> <ul style="list-style-type: none">The Seller shall be responsible for the provision of Replacement Power for the deficient capacity, subject to the approval of the Buyer, during the duration of the partial delivery. Replacement Power shall be billed at its actual cost or the approved rate for the PSA, whichever is lower.																														



Form of Payment	<p>Mode of Payment:</p> <ul style="list-style-type: none"> • Cash • Check <p>Currency: Philippine Peso (PhP)</p> <p>Billing Month: Monthly</p>
Penalty Provisions	<ul style="list-style-type: none"> • The Buyer shall have the right to impose penalties whenever Seller fails to comply with its obligations within the cure period stated in the PSA under the following circumstances: <ul style="list-style-type: none"> a. Payment of damages upon contract termination based on valid grounds; b. Delay in the commencement of delivery of supply. c. Failure of power delivery; and d. Other grounds detailed in the PSA. <p>which shall be paid within twenty (20) calendar days after receipt of written demand for payment.</p> <ul style="list-style-type: none"> • The Buyer shall also have the right to forfeit the performance bond in instances enumerated in the PSA. • The non-defaulting party may terminate the PSA subject to prior notice which shall not be less than thirty (30) calendar days.
Reduction of Contract Demand and/or Contract Energy	<p>At the option of the Buyer, it shall be entitled to a reduction in its Contracted Demand and Contracted Energy resulting from the transfer of any of its captive customers due to the implementation of Retail Competition and Open Access (RCOA), the Green Energy Option Program (GEOP), Renewable Portfolio Standards (RPS), Net Metering programs, Distributed Energy Resources (DER), or other similar government programs.</p> <p>The Buyer shall provide the Seller with written notice specifying the extent of the reduction in Contracted Demand and/or the corresponding energy, and indicating the effective date of such reduction.</p> <p>Any such reduction shall be limited to an amount necessary for the Buyer to comply with its obligation to supply electricity to its captive market in the least-cost manner, in accordance with applicable laws and regulations.</p>
Prompt Payment Discount (PPD)	<p>The Seller shall extend a three percent (3%) discount based on the non-fuel fee (sum of CRF, FOMF, and VOMF) for a Billing Month to Buyer as PPD if:</p> <ol style="list-style-type: none"> 1) payment is made within ten (10) working days from receipt of Seller's power bill, and 2) Buyer is up to date with all its payment obligations under the PSA. <p>Bidders may propose additional forms of discount (expressed in a %), which shall be considered in the bid evaluation. The aggregate of the PPD and any other discounts offered by Bidders shall form part of the financial bid evaluation.</p>
Other Terms and Conditions:	
Renewable Energy Certificate (REC)	The Seller shall assist the Buyer to secure the least-cost REC equivalent of the energy delivered which will be paid by the Buyer
Type of Plant	Open Technology
Dispatch Time	0001H - 2400H
Delivery Point	<p>The Delivery Point shall be at the metering point or nodal point of the Buyer.</p> <p>The Buyer shall shoulder the line rental cost up to PhP 0.30/kWh each month, and any amount exceeding this cap shall be borne by the Seller. The Bidder may, however, propose a lower cap for the Buyer, which shall form part of the Financial Bid Evaluation.</p>
Condition Precedent in the start of supply	Issuance of ERC Provisional Authority
Hourly Nomination (MWH)	<p>Minimum: <u>7</u> Maximum: <u>10</u></p> <p>Hourly nomination is equally divided to 12 five-minute interval</p>
Additional Submission	<p>As part of the eligibility requirements, Bidders shall submit the following:</p> <ol style="list-style-type: none"> 1. The Bidder shall submit its current and subsisting Fuel Supply Agreement, if applicable. Fuel Supply Agreement may be redacted. 2. Bidders shall submit a Certificate of Good Standing from all of its current regulated off-takers, whether such off-taker be a private distribution utility or an electric cooperative. A Bidder must also submit the list of its current regulated off-takers. The General Manager, or his/her equivalent, of the regulated off-takers shall issue the Certificate of Good Standing. Bidders shall use the template Certificate of Good Standing provided by the BAC. 3. The Bidder shall submit a duly notarized Sworn Certification stating that (i) it has no pending disputes or unpaid accounts arising from contractual obligations with any distribution utility, except those not yet final and executory or stayed on appeal, and (ii) it has no uncompleted, unfinished, or pre-terminated energy supply contracts with any distribution utility, regardless of whether such pre-termination has been filed with the ERC or any court.

IV. Indicative Schedule

The timeline of activities for this CSP is as follows:

ACTIVITY	DATE
First Publication	November 16, 2025
Second Publication	November 23, 2025
Availability and Payment of bidding documents/ Submission of Letter of Intent (LOI)	November 16, 2025 – December 1, 2025
Pre-Bid Conference	December 2, 2025
Last day of Issuance of Bid Bulletin to clarify questions during pre-bid conference and Issuance of Final Instruction to Bidders	December 21, 2025
Bid Submission Deadline, Opening, and Evaluation of Bids	January 7, 2026
Post-Qualification of Bidder with the Lowest Calculated Bid	January 12, 2026 – January 22, 2026
Issuance of Notice of Award	March 18, 2026 – March 22, 2026
Signing of Power Supply Agreement (PSA)	April 9, 2026 – April 11, 2026
ERC Joint Filing	April 22, 2026 – May 11, 2026

Mayor Saturnino G. Fernandez Compound
Poblacion, Lezo, Aklan

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Unless otherwise amended, the AKELCO CSP BAC shall hold a Pre-bid Conference on 2 December 2025, starting at 9:00 AM at the AKELCO Main Office, Mayor Saturnino G. Fernandez compound, Poblacion, Lezo, Aklan. Only CSP Observers and Interested Bidders who purchased the Bidding Documents shall be allowed to attend the Pre-Bid Conference.

Unless otherwise amended, the Bidder's bidding documents and proposals must be physically and actually received by the AKELCO CSP BAC Secretariat at the AKELCO Main Office, Mayor Saturnino G. Fernandez compound, Poblacion, Lezo, Aklan not later than 7 January 2026 at 9:00 AM. (Bid Submission Deadline)

The AKELCO CSP BAC reserves the right to amend the schedule of activities, reject any, and/or all bids, declare a failure of bidding, or not to award the contract under circumstances allowed by the CSP guidelines without incurring any liability.

V. Contact Information

All submission within the specified deadline must be addressed to:

Atty. Mega M. Arcenio, CPA
Chairperson
AKELCO Main Office,
Mayor Saturnino G. Fernandez Compound,
Poblacion, Lezo, Aklan
csp@akelco.com.ph

All other communications regarding the CSP must be addressed to the BAC Secretariat:

Arianne Mae A. Malilay
Secretariat
AKELCO Main Office,
Mayor Saturnino G. Fernandez Compound,
Poblacion, Lezo, Aklan
csp@akelco.com.ph
0949 783 3718

CERTIFICATION

As Chairperson of the AKELCO CSP BAC, I hereby certify that this Invitation to Bid, including the Terms of Reference Table, were circulated and approved by the AKELCO CSP BAC at Aklan Electric Cooperative, Inc., Mayor Saturnino G. Fernandez Compound, Poblacion, Lezo, Aklan.

(Sgd.) ATTY. MEGA M. ARCENIO, CPA
Chairperson
AKELCO CSP BAC

NOTED:

(Sgd.) ARIEL B. GEPTY, ESQ.
General Manager