



Bid Bulletin No. 010

*COMPETITIVE SELECTION PROCESS; SERIES OF 2024
for the Supply of 20 MW Baseload and 6.6 MW RPS Power Supply Requirement
of MORE Electric and Power Corporation*

In support to the previous Bid Bulletin 008 and in recognition of queries by bidders regarding this salient point, MORE Power Third-Party Bids and Awards Committee offers a brief explanation of the Financial Proposal Form, in aid of guidance to our participating bidders.

1. CAPITAL RECOVERY FEE	PHP/KWH	
2. FIXED O&M	PHP/KWH	
3. VARIABLE O&M	PHP/KWH	0.0000
A. PHP COMPONENT		
V O&M PHP (W/O ESCALATION)	PHP/KWH	
V O&M PHP (W/ ESCALATION)	PHP/KWH	
TOTAL V O&M PHP	PHP/KWH	0.0000
B. USD COMPONENT		
V O&M USD (W/O ESCALATION)	USD/KWH	
V O&M USD (W/ ESCALATION)	USD/KWH	
TOTAL V O&M USD	USD/KWH	0.0000
4. FUEL FEE	PHP/KWH	0.0000
A. FUEL FEE		
FUEL FEE (W/O ESCALATION)	PHP/KWH	
TOTAL GENERATION RATE VAT EXC		0.0000
Rate of Return		3.00%
PRESENT VALUE RATE, VAT EXC		
ANNUAL GENERATION COST at PV, VAT EX.	PHP	
TOTAL GENERATION COST, VAT EX.	PHP	-
LEVELIZED RATE, VAT EXC.	PHP/KWH	
VALUE ADDED TAX (VAT) RATE		
	%	
TOTAL GENERATION RATE VAT INC.		0.0000
Rate of Return		3.00%
PRESENT VALUE RATE, VAT INC.		
ANNUAL GENERATION COST at PV, VAT IINC.	PHP	
TOTAL GENERATION COST, VAT INC.	PHP	-
LEVELIZED RATE, VAT INC.	PHP/KWH	

Bidders shall input the **committed Fuel Fee** in the Financial Proposal Form. This will be escalated to a 3.0% escalation rate set by the TPBAC and will be used for the bid evaluation.

As part of the financial proposal, the bidder shall also submit a **fuel indexation formula** with an explanation on how to derive the actual fuel fee during the implementation of the PSA. The fuel indexation formula shall have the applicable index used, the base fuel, and base fuel index (referenced at the date of the Opening of Bids).



The Fuel Fee can be referenced to an independently verifiable indices such as but not limited to Newcastle, HBA, ICI, Forex, etc. The bidder shall include in the explanation how the indices were reckoned (e.g. date of reckoning, month average, 25th of the month, moving average, etc.)

Example:

For example, the bidder proposed a fuel fee of P 3.0000 per kWh during the bidding.

Together with the financial proposal form, the bidder also submits the fuel indexation formula on how the fuel fee will be determined during the actual implementation of the PSA.

Illustration:

$$\text{Fuel Fee} = f(\text{NewC}) + f(\text{ICI}) + f(\text{HBA}) + \text{constant}$$

In this example, the fuel fee varies with NewCastle index. The bidder then submits the following formula which will be implemented in the PSA.

$$\text{Fuel Fee}_c = (2.5000 \times \frac{\text{NewC}_c}{\text{NewC}_{\text{Oct24}}}) + 0.5000 = 3.0000$$

Where:

Fuel Fee_c = current Fuel Fee

NewC_c = current NewCastle Index

(the bidder shall explain the details on how the indices shall be reckoned (e.g. end of month, previous month ave., 3-month ave., 6-mo ave, etc), and it should be independently verifiable by MORE.

NewC_{Oct24} = NewCastle Index on the date of the bidding (Oct 2024)

(the bidder shall explain the details on how the indices shall be reckoned from the date of the bidding (e.g. end of month, previous month ave., 3-month ave., 6-mo ave, etc), and it should be independently verifiable by MORE.

The fuel fee during the bidding is P 3.0000 per kWh. This should be **consistent** with the fuel formula provided.

$$\begin{aligned} \text{Fuel Fee}_{\text{Oct24}} &= (2.5000 \times \frac{\text{NewC}_{\text{Oct24}}}{\text{NewC}_{\text{Oct24}}}) + 0.5000 = 3.0000 \\ &= (2.5000 \times 1) + 0.5000 = 3.0000 \end{aligned}$$

Assuming that NewCastle index on October 2024 is 140 and NewCastle index on June 2025 becomes 145, the actual Fuel Fee is computed **using the same formula:**

$$\text{Fuel Fee}_{\text{Jun25}} = (2.5000 \times \frac{\text{NewC}_{\text{Jun25}}}{\text{NewC}_{\text{Oct24}}}) + 0.5000 = 3.0000$$



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$$= (2.5000 \times \frac{145}{140}) + 0.5000 = 3.0893$$

Therefore, actual Fuel Fee on June 2025 given a committed Fuel Fee of P 3.0000 on October 2024 is **P 3.0893 per kWh**.

All terms, conditions and instructions to Bidders specified in the Bidding Documents inconsistent with this Bid Bulletin are hereby superseded and modified accordingly.

Issued this 30th day of September 2024 in Iloilo City, Philippines.

Approved by:

NIEL V. PARCON

Chairperson

Bids and Awards Committee