



RULES GOVERNING THE PROCUREMENT, EXECUTION, AND EVALUATION OF POWER SUPPLY AGREEMENTS ENTERED INTO BY DISTRIBUTION UTILITIES FOR THE SUPPLY OF ELECTRICITY TO THEIR CAPTIVE MARKET

Document	Article / Section	Discussion of Comment/s and/or Questions for Clarification	Suggestions / Proposed Change(s)
PSA Rules	Section 5. Power Supply Procurement Planning	Peak Demand in the PSPP must be identified clearly what data must be used (e.g. BDD, NCP, CP) for the basis of proper and uniform data reference.	To establish uniform peak demand reference which suggested to include in the definition of terms and use CP as the reference of peak demand to avoid oversupply in contracting considering CP is the actual demand used for nomination in the real time supply dispatch.
	Article VII.	The responsibility of the BAC, BAC Secretariat and the TWG is vaguely presented.	A separate provision might be considered to expressly state their responsibilities to provide detailed lists of the work they are to perform.
	Article VII, Section 7	For clarity, the provision on CSP was only limited on the power supply requirement for DU's captive market.	It is suggested that instead of captive market, it shall be changed to " <i>requirement from their franchise area</i> "
	Article VII, Section 8. Bids and Awards Committee	For the qualification of the BAC members, it only made mention of the terms "an Officer or Employee...", thus it can be concluded that any employee that has the technical know-how on the matters being stated in this section is qualified, and there is a chance that all BAC members are non-officer employees as long as qualified.	It should be considered that the BAC shall be composed of Officers down to Division level managers as long as they are qualified with the technical and financial know-hows. There should also be exemptions for other Officers holding key positions like the General Manager.
	Article VII, Section 8	This is in contrast with DOE draft circular, in which 2 of the BAC members shall be represented by the captive market. What is the qualification of the last 5 th member? How do DU qualify the BAC members? Does it need approval from the ERC?	It is suggested to further elaborate on the process of selecting BAC members and for the ERC and DOE reconcile this particular provision.

Article VII, Section 9	The DU-BOD oversee the overall performance of the management, thus, its duty to designate the BAC secretariat from DU employees seems inappropriate.	It is suggested that the BAC be the one to determine the BAC secretariat that has the capacity to better keep the records.
Article VII, Section 9. BAC Technical Working Group (TWG) and Secretariat	The number of members for the BAC Secretariat as well as the TWG was not explicitly identified.	It should include the number of members for BAC Secretariat and for the TWG given the amount work that each teams are going to do. The DU-BOD might not be able to consider this so might as well include it in the rules.
Article VII, Section 10. Joint BAC of aggregated DUs		The Joint BAC shall have five (5) members, all the participating DUs shall be represented fairly.
Article VII, Section 11. Joint BAC TWG and Secretariat	Considering that the Joint BAC will only consist of the five (5) members from the participating DUs, why not make the other members who were not able to make it to the Joint BAC be added to the designated Joint TWG? The BAC members has the capabilities to be part of TWG considering their qualifications.	The Joint BAC-TWG shall be composed of the technical, legal and financial personnel of the participating DUs plus all of its BAC members who are not part of the Joint BAC.
Article VII, Section 11	With the large number of employees of the participating DU, the BOD to select the Joint-BAC TWG and BAC Secretariat were considered difficult.	It is suggested for the BOD of participating DUs to select the Joint BAC. Thereafter, the Joint BAC will determine the Joint BAC-TWG and BAC secretariat.
Article VII, Section 12. CSP Observers	For Electric Cooperatives, it has already been recognize throughout the country our Member Sector Electrification Advisory Council (MSEAC) as well as the Barangay Member Consumer Electrification Committee (BMCEC). They are organized, existing and actively operating and helping the ECs in the implementation of several projects and they already have background as to the power industry.	For consumer representatives, it is but fitting to include as part of the CSP observers the our MSEAC and the BMCEC instead of the PTAs.
Article VII, Section 12	CSP observer determine the transparency of the CSP. Does it require to be present to all stages?	It is suggested that the CSP observers be present only in the relevant stages of the CSP, namely, pre-bid conference and submission of the Bid.
Article VIII, Section 13.2	The term of reference of not exceeding 10 years may result to higher rate	It is suggested to make the cooperation period be keep in silent and the selection of the

		considering the computation on the capital to be recovered by the bidder.	term for the period be with the jurisdiction of the DU.
Article VIII. Section 15. Pre-bid Conference			Attendance to the pre-bid conference by prospective bidders shall not be mandatory. However, failure of the Bidder to attend the Pre-bid Conference as scheduled shall automatically mean a waiver of their rights to question any provision of the Bidding package.
Article VIII. Section 16. Submission of Pre-qualification documents		What should come first between the Pre-Bid conference and the submission of the Pre-qualification requirements?	Setting of the number of days for the conduct of all the activities for the CSP should have a single reference either from the scheduled opening of bids or from the last day of publication, so to avoid confusion.
Article VIII, Section 16		Pre-qualification requirements stage evaluate the eligibility of the bidder. To expedite the CSP process, does there is a need to separate the evaluation of eligibility requirements with the proposals?	To shorten the CSP process, it is recommended to make the evaluation on eligibility requirements be done together with the evaluation of bid proposals.
Article VIII. Section 16.2. Pre-qualified and disqualified bidders			Add a statement "Only identified as Pre-Qualified Bidders are allowed to submit their bids on the scheduled submission date", for emphasis.
Article VIII, Section 19		The provision only enumerate all types of bid security.	It is suggested to include this provision, "as may be determine by the DU"
Article X, Section 39		The provision of failed bidding due to no proposal is in conflict with the previously approved resolution which requires at least 2 qualified bidder.	It is suggested to clarify the required number of qualified bidder to conclude that CSP not a failure.
Section 47. ERC Evaluation of the Application		Timeline of review to the application was not mentioned which may often the case of the delay supply application approval.	Thus suggested to establish or be indicated in the provision the timeline of review with respect to the application review levels of the ERC. Thus, no approval beyond stated timeline shall mean approval of the application provided no issuance of clarifications of delay was issued by the ERC.
General		There is provision regarding on the fee for bid documents to replenish the possible expenses incurred by DU during the conduct of CSP.	It must be indicated to avoid possible conflict with the interested bidder.