

MERALCO's Additional Comments on the ERC's Draft "Rules Governing the Execution, Review, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market"

Article / Section No.	Section Title / Subject Matter of Concern	Discussion of Comments and/or Questions for Clarification	Recommendations / Suggestions / Proposed Changes
Article IV, Section 2	<p>“Section 2. Competitive Selection Process. – xxx The entire CSP process including the award of contract should be completed within six (6) months from the publication of the invitation to bid. Failure to complete the process within this period shall invalidate the CSP.”</p>	<p>MERALCO respectfully recommends that DUs and ECs be allowed a fresh period of 6 months within which to undertake the 2nd round of CSP, in case of failure of CSP under the circumstances mentioned in Article IV, Section 3.1 of the draft Rules.</p> <p>In addition, as explained during the 30 May 2018 public consultation, it is difficult to anticipate how long direct negotiations will last. Thus, MERALCO also recommends that direct negotiation be excluded from the 6-month limit for the conduct of CSP.</p>	<p>Proposed Revision:</p> <p>“Section 2. Competitive Selection Process. – – “xxx The entire CSP process including the award of contract should be completed within six (6) months from the publication of the invitation to bid. Failure to complete the process within this period shall invalidate the CSP. <u>Provided that, in case of failure of CSP under the circumstances mentioned in Article IV, Section 3.1 of the draft Rules, DUs and ECs are given a fresh period of 6 months from the publication of the 2nd invitation to bid within which to conclude the 2nd round of CSP.</u></p> <p><u>This notwithstanding, direct negotiation after two failed bids under Section 3.1 shall be excluded from the 6-month limit for the conduct of CSP.</u>”</p>