



**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**

Document	Article / Section	SMCGPH Comments/ Questions for Clarification	Suggestions / Proposed Change(s)
PSA Rules	Art. IV Sec. 3.1. Direct Negotiation	What constitutes a successful bid?	We suggest that the criteria for a successful bid (i.e. number of bidders, alignment to the TOR, etc.) be stated in the rules
	Art. IV Sec. 5 Emergency Supply Procurement	As stated in the DOE Circular, DU should acquire a Certificate of Exemption from DOE.	We suggest that rules be aligned to the DOE policy.
	Art. IV Sec. 5 Emergency Supply Procurement (2 nd paragraph)		We suggest that the term, Fortuitous Event, be defined.
	Art. IV Sec. 6. Benchmark Rate		We suggest that the benchmark rate per technology and the basis & process of determining it, be published, in order that accurate comparisons by bidders may be done.
	Art. IV Sec. 15. Exemptions (A)		We suggest that the terms, grants or donations, be technically defined (i.e. the amount of money, the way of acquisition, etc.)
	Art. V Requirements and Review Procedures Sec. 2. Filing of the PSA		Although it is a joint filing, we suggest that the DU should spearhead the filing while the GenCo will provide support in the filing. This assures that the filing captures and reflects all the aspects of the DU's forecasts and requirements; -30 days is not feasible to file the PSA with ERC, we suggest 90 days from date of signing.

	Art. V Requirements and Review Procedures Sec. 3. Review of the ERC		"d) That the review and decision process shall take 12 months at most for the issuance of the Final Approval; if no Decision on the Application is done within 12 months, the same is deemed approved."
Appendix A	1-19 Contract Signing	For clarification, is it 17 days or 15 days?	
	1-17 Post Qualification	ECC	The issuance of ECC takes time to be issued by the DENR. It is not feasible for Greenfield Plants to have the document on hand, especially if the application for the ECC was done almost the same time as the participation in the bidding. We suggest that the application for an ECC suffice.
	Page 17 "Business Day"	Why is there a need to specify Makati City's holidays?	
Appendix B	Page 2 "Term or Contract Period"	For clarification, why is the TERM or Contract Period capped to 10 years only?	
	Page 9 "Outages (b)"	Why is the "Forced Outages" limited to an average of 15 days?	
	Page 21 "Dispute Resolution"		The dispute should be referred to ERC or the courts, if the same falls within their Jurisdiction.