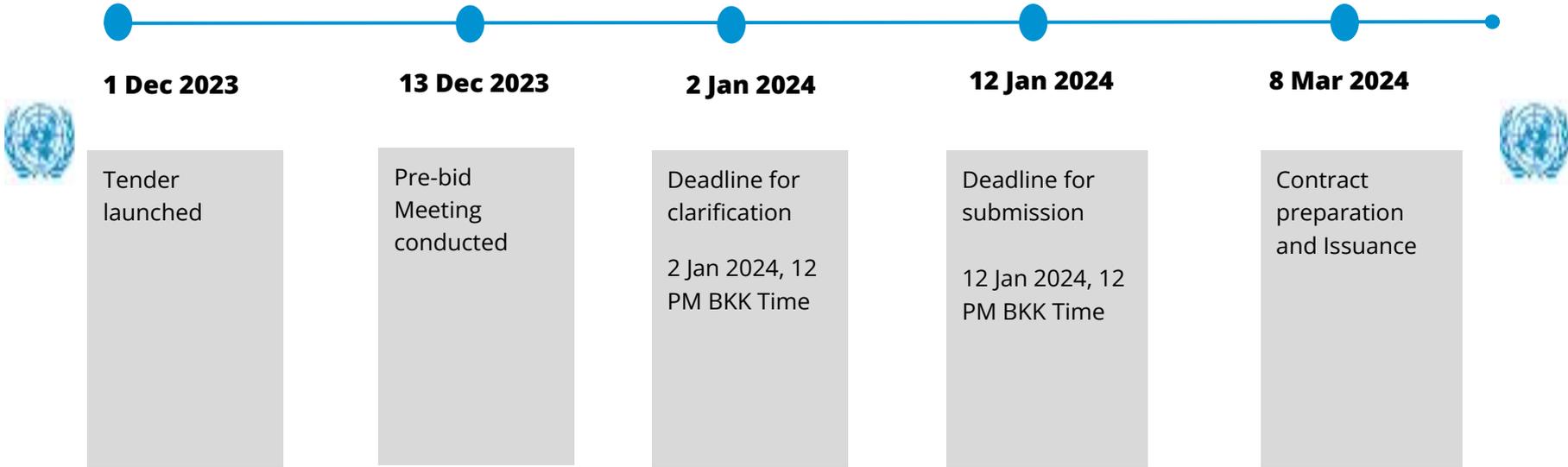




## **RFP Enhancing the Spot Market to Attract Investments to Renewables for the Philippines**

# Timelines



# 1

## PROJECT DETAIL



# Introduction of ETP



ETP Partners with governments, private sector and civil society to move to low carbon energy systems in SEA.

- ❖ **Encouraging** policy makers to promote the right investment environment, legal and regulatory frameworks that support rather than impede energy transition
- ❖ **De-risking** of finance and investments for businesses looking to make investments into clean energy; and
- ❖ **Expanding** grids to facilitate safely and surely variable renewable energy to consumption
- ❖ **Knowledge** to empower governments, private sector and civil society to underscore a demand for rapid transformation.

## Energy Transition Partnership (ETP):

A unique platform of government donors, philanthropies and partner governments that supports policies, de-risking of renewable energy projects and energy efficiency, and sustainable infrastructure for energy transition.

# Project Background

- The current price caps have not been adjusted since 2015. The economy has drastically changed since the setting of the price caps. The general opinion is that the current price caps are too low that it discourages investments in peaking generators, such as solar and wind, leading to heavy reliance on base-load facilities or ageing plants that are costly to maintain.
- The low caps limit potential revenues and discourage investments, particularly in renewables which tend to have low operating costs but higher capital costs. Investors will be hesitant to commit to capital projects that may not be able to generate sufficient revenues. The low ceiling prices in the second round of the green energy auctions is one of the reasons identified for the low subscription, which highlights the sensitivity of investors to price signals.
- The study will also look at the impact of increasing RE in the WESM. The increasing cost of coal and the declining cost of renewable energy technologies is tipping competitiveness in favor of renewables. The study will look at how increasing RE merchant plants will affect the market, and understand the barriers and investment risks to RE generators.

# Project Details

Major deliverables include:

- (i) Assessment of Wholesale Electricity Spot Market (WESM) Price Patterns and Price Mitigating Measures
- (ii) Report on Updated Price Mitigating
- (iii) Publishable Study on the Impact of Increasing Participation of RE Generators in the WESM.
- (iv) Price Simulation Training

This project contributes to ETP's SO<sub>2</sub> and SO<sub>4</sub> leading to facilitate increased participation of renewable energy generators in the WESM by reviewing price mitigating measures and methodologies and analysing barriers and investment risks and aims to contribute to broader outcomes that are aligned with the Philippines' RE and energy self-sufficiency targets.

**Objectives**

# Outcomes

- Increase uptake of renewables into the grid.
- Enhanced understanding of opportunities for renewable energy generators in the WESM that will encourage greater investments in renewables.
- Improved price mitigation measures that will encourage investments into RE generation, increase market participants, and enhance market competition which will lead to lower tariffs.
- Strengthened capability for PEMC and Independent Electricity Market Operation of the Philippines (IEMOP) to monitor and analyse market and price trends, and update price mitigating measures in the future.

# Deliverables

## Deliverable 1 Inception Report

- ❖ Introduction and project background
- ❖ Scope of Services
- ❖ Methodology and Workplan, including approach, methodology and project gantt chart
- ❖ A detailed approach as to how each deliverable will be met and what each submission will contain
- ❖ Audience mapping and analysis and communication/ outreach plans
- ❖ Identification of suitable media channels to be used for communicating the project and rationale for choosing them
- ❖ A donor/development partners coordination strategy
- ❖ Project management inclusive of organisational chart detailing key personnel, their roles and responsibilities, as well as their locations (strong in-country team and project management is expected)
- ❖ Risks, mitigations, and assumptions
- ❖ Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)
- ❖ Communications Plan

1 month after start date

# Deliverables

Deliverable 2  
TWG established

- ❖ The consultants will serve as the secretariat of this TWG, which will be identified with the project beneficiaries.
- ❖ The consultants will regularly convene the TWG to keep them updated on the project and to seek guidance on the projects' implementation. Consultants must keep and prepare the minutes of meetings, facilitate meetings, and act as the liaison.
- ❖ The bidder must consider holding at least two in-person TWG meetings with around 15 participants per meeting. The cost of holding the in-person
- ❖ TWG meetings will be reimbursable.

3 months after start date

# Deliverables

## Deliverable 3

Assessment of WESM Price Patterns and Price Mitigating Measures

3 months after start date

- ❖ Assess WESM price trends. Analyze how these affect the participation of renewable energy generators in the WESM (including FIT-stranded plants and RE merchant plants); analyse the economic viability of RE merchant plants based on historical prices and other renewable energy market mechanisms in effect (renewable portfolio standards, green auctions, and others).
- ❖ Review the current WESM market price mitigating measures and cap-setting methodology. Understand their impact on attracting investments into new plants, power supply, market competition, and end-user tariffs, among others. Review the methodology for setting the caps and determine if it is still suitable in the current market conditions.
- ❖ Review the international experience and best practices in assigning price mitigating measures, and assess the different methodologies for calculating them.

# Deliverables

## Deliverable 4 Report on Updated Price Mitigating Measures

- ❖ Propose price mitigating measures and methodologies. Conduct scenario analyses to understand the impact of different price cap levels, values, and/or different methodologies. The bidders must propose the modeling technique or tool and data types that will be used. Setting up a regulatory sandbox can be an option.
- ❖ The consultant is expected to conduct two (2) in-person focus group discussions. The costs associated to venue and meals will be reimbursable.
- ❖ Recommendation on Appropriate Price Mitigating Measures. Based on the analyses and consultations, propose new values for the offer price cap and floor, and SPC. Consultants should propose new methodologies for setting these, if necessary.

7 months after start date

# Deliverables

## Deliverable 5

Publishable Study on the Impact of Increasing Participation of RE Generators in the WESM.

- ❖ Analyze the impact of prevailing market mechanisms, such as the renewable portfolio standards (RPS), green energy option, and the green energy auction program (GEAP), and others on the spot market and RE merchant plants.
- ❖ Analyze the opportunities, barriers and risks for RE merchant plants in the WESM.
- ❖ The document will be accompanied by a policy brief summarizing the key findings and recommendations of the study.

9 months after start date

# Deliverables

## Deliverable 6

### Price Simulation Training Report

- ❖ Strengthen PEMC's and IEMOP's capability to analyze price trends using price simulation tools through in-person training. Bidders may propose to develop a simple tool or nominate open-source tools to enhance PEMC's and IEMOP's analyses of price trends and facilitate the revision of price mitigating measures in the future. This tool may be used to deliver the other activities of this project.
- ❖ All models developed and used must be turned over to PEMC after the training program.
- ❖ Bidders should consider conducting three (3) workshops for 30 participants.

9 months after start date

# Deliverables

## Deliverable 7

Final completion report and  
Results Dissemination Report

10 months after start date

- ❖ Consultants are expected to present the results/outputs of the project to relevant stakeholders. The consultants will organize one dissemination event for 45-50 participants. The consultants will be responsible for logistics and other necessary preparations for this event in coordination with PEMC. The cost of this event should be proposed in the financial bid.
- ❖ Final Report is a summary of the project, activities conducted, highlights of outputs, the project's potential impact on energy transition, recommendations on follow-up activities, and lessons learned in conducting the project

# Implementation and Timeline

Task	Timeline
Inception Plan	1 month of the contract start date
TWG established	3 months after the contract start date
Assessment of WESM Price Patterns and Price Mitigating Measures	3 months after the contract start date
Report on Updated Price Mitigating Measures	7 months of the contract start date
Publishable Study on the Impact of Increasing Participation of RE Generators in the WESM.	9 months of the contract start date
Price Simulation Training Report	9 months of the contract start date
Final completion report and Results Dissemination Report	10 months of the contract start date

# 2

## EVALUATION CRITERIA



# Evaluation Method

1. Preliminary Screening using Eligibility and Formal Criteria (Pass/Fail)
2. Technical Evaluation using Qualification Criteria (Pass/Fail)
3. Technical Evaluation using Technical Criteria (Numeric Score)
4. Financial Evaluation (Numeric Score)
5. Combined Analysis
6. Background Check/Due Diligence

# 1. Preliminary Screening - Eligibility & Formal Criteria

Criteria	Documents to establish compliance with the criteria
<p>1. Offeror is eligible as defined in Instructions to Offerors, Article 4.</p> <p>In case of JV, all JV members should fulfill this requirement</p>	<ul style="list-style-type: none"><li>• Form A: Joint Venture Partner Information Form, all documents as required in the Form, in the event that the Proposal is submitted by a Joint Venture.</li><li>• Form B: Proposal Submission Form</li></ul>
<p>2. Completeness of the Proposal. All required Questionnaires (if any), Returnable Bidding Forms, and other documentation requested under the Document Checklist section have been provided and are complete</p>	<ul style="list-style-type: none"><li>• All documentation as requested under Instructions to Offerors Article 10, Documents Comprising the Proposals</li></ul>
<p>3. Offeror accepts UNOPS General Conditions of Contract as specified in Section IV: Contract Forms</p>	<ul style="list-style-type: none"><li>• Form B: Proposal Submission Form</li></ul>

## 2. Technical Evaluation - Qualification Criteria

Criteria	Documents to establish compliance with the criteria
<p>1. The company should have a minimum of 5 years of continuous experience in delivering similar projects in the past with a track-record of success.</p> <p>In case of JV, at least one of the JV members should fulfil this criteria</p>	<ul style="list-style-type: none"><li>• Certification of incorporation of the Offeror</li><li>• Form F: Performance Statement Form</li></ul>
<p>2. Offeror must provide a minimum of two (2) customer references from which similar services have been successfully provided, within any of the last 5 years.</p> <p>In case of JV, the customer references of JV members can be combined</p>	<ul style="list-style-type: none"><li>• Form F: Performance Statement Form</li></ul>

# 3. Technical Evaluation - Technical Criteria

Technical evaluation will be carried out to bids that pass the eligibility, formal and qualification criteria, with requirements as follows:

- The maximum number of points that a bidder may obtain for the Technical proposal is 80. To be technically compliant, Bidders must obtain a minimum of 56 points
- Minimum pass score: 70% of maximum 80 points = 56 points

Technical proposal points allocation

<i>Section number/description</i>		<i>Points Obtainable</i>
1.	<i>Offeror's qualification, capacity and expertise</i>	20
2.	<i>Proposed Methodology, Approach and Implementation Plan</i>	35
3.	<i>Key Personnel proposed and Sustainability Criteria</i>	25
<i>Total Technical Proposal Points</i>		80

# 3. Technical Evaluation - Technical Criteria

Section 1: Offeror's qualification, capacity and expertise		Points	Sub-points
1.1	Brief description of the organization, including the year and country of incorporation, and types of activities undertaken, including relevance of specialized knowledge and experience on similar engagements done in the past.  Bidders partnering up with a local entity to provide for the strategic consultation, translations; as well as the communications expertise is considered a valuable asset.	15	
	1. Experience in projects of comparable size, type, complexity and technical specialty		5
	2. Experience in providing similar services in the region, especially in the Philippines		5
	3. Understanding of local context, and partnering up with a Philippines-based entity to provide for the strategic consultation, as well as the communications expertise		5
1.2	General organizational capability which is likely to affect implementation: management structure, and project management controls.  (Max 4 pages written text)	5	
	1. Management structure, management controls, and extent to which any part would be subcontracted		3
	2. Financial Capacity/financial stability: Bidder should have a minimum annual turnover of 300,000 USD in any of the past 2 years.  In the case of a joint venture, annual turnover is calculated based on the total annual turnover of the JV members.		2
<b>Total points for section</b>		<b>20</b>	



# 3. Technical Evaluation - Technical Criteria

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
2.1	Description of the Offeror's approach including risk(s) and mitigation measure(s), and methodology for meeting or exceeding the requirements of the Terms of Reference	27	
	1. Description of the offeror's approach assessing and updating the price mitigating measures of the Philippines Wholesale Electricity Spot Market..		15
	2. Description of the offeror's approach to assess the participation of renewables in the electricity spot market and deliver a study that could encourage investments to renewable energy projects.		12
2.2	Quality Assurance Plan	5	
	1. A plan outlining how the bidder intends to ensure oversight and quality assurance throughout the assignment. Quality Assurance plan should include discussion on risk-assessment and its mitigation plan		5
2.3	Implementation Timeline	3	
	1. Bidder submits a detailed implementation timeline which includes detailed activities to be undertaken during this assignment, and is completed with gantt chart		3
<b>Total points for section</b>		<b>35</b>	



# 3. Technical Evaluation - Technical Criteria

Section 3: Key personnel proposed and Sustainability Criteria		Points	sub-points
3.1	<b>Qualifications of key personnel proposed aligned with the Terms of Reference</b>	20	
	<b><u>Team Lead/Electricity Market Expert</u></b> <b>Education:</b> A Master's Degree in Energy Economics, Economics, Engineering or related fields is required. Bachelor degree plus an additional 2 years of relevant experience is considered equivalent.  <b>Experience:</b> <ul style="list-style-type: none"> <li>A minimum of 10 years of relevant experience in a similar role, with a minimum of 2 years of leadership experience</li> <li>Professional experience in the power industry, preferably roles related to market analyses, energy trading, regulatory affairs, or power development.</li> <li>In-depth understanding of electricity markets, including market structures, and regulatory frameworks is required.</li> <li>Understanding of energy trading, power generation technologies, and grid operations is desired.</li> <li>Experience and knowledge of the Philippines electricity market is desired.</li> <li>Strong quantitative and analytical skills for interpreting market data, assessing market trends, and conducting modeling will be valuable.</li> <li>Proficiency in data analysis tools, statistical methods, and economic/market modeling software is an advantage.</li> </ul> <b>Other Requirements</b> <ul style="list-style-type: none"> <li>Strong and demonstrated capacity for <u>organisation</u>, management with excellent reporting and coordination skills</li> <li>Strong technical competence and professional skills for timely implementation, coordination and management of activities</li> </ul>	10	
	<b><u>Renewable Energy Regulatory Expert</u></b> <b>Education:</b> Masters degree in Electrical engineer / Renewable Energy / Economics / relevant similar fields with an additional 5 years experience in the Philippines renewable energy sector. A bachelor degree plus an additional 2 years of relevant experience is considered equivalent.  <b>Experience:</b> <ul style="list-style-type: none"> <li>At least 5 years of working experience in the Philippines renewable energy sector is required. Experience working with the Energy Regulatory Commission (ERC) is an advantage.</li> <li>Understanding of the Philippines renewable energy policies, market mechanisms, <u>regulatory</u> framework is a must.</li> <li>Understanding of the different renewable energy technologies is an advantage.</li> <li>Experience and understanding of the Philippines electricity market is desired.</li> <li>Strong quantitative and analytical skills for interpreting market data, assessing market trends, and conducting modeling will be valuable.</li> <li>Proficiency in data analysis tools, statistical methods, and economic/market modeling software is an advantage.</li> </ul>		5
<b><u>Data Scientist/ Modeling Expert</u></b> <b>Education:</b> Masters degree in Electrical engineer / Renewable Energy / Economics / relevant similar fields with an additional 5 years power system modeling/ <u>simulation</u> of relevant experience. A bachelor degree plus an additional 2 years of relevant experience is considered equivalent.  <b>Experience:</b> <ul style="list-style-type: none"> <li>At least 5 years of working experience in power sector, energy market research, analyses, modeling and simulations is required</li> </ul>		5	

# 3. Technical Evaluation - Technical Criteria

<ul style="list-style-type: none"> <li>• Strong interpersonal and communications skills, resourcefulness, initiative, tact and ability to cope with any situation especially Asian culture</li> <li>• Openness to change and ability to receive/integrate feedback</li> </ul>			<ul style="list-style-type: none"> <li>• Strong quantitative and analytical skills for interpreting market data, assessing market trends, and conducting modeling is required.</li> <li>• Proficiency in data analysis tools, statistical methods, and economic/market modeling software is required.</li> <li>• Understanding of the Philippine electricity market is an advantage.</li> </ul>		
<p><b><u>Renewable Energy Regulatory Expert</u></b></p> <p><b>Education:</b></p> <p>Masters degree in Electrical engineer / Renewable Energy / Economics / relevant similar fields with an additional 5 years experience in the Philippines renewable energy sector. A bachelor degree plus an additional 2 years of relevant experience is considered equivalent.</p> <p><b>Experience:</b></p> <ul style="list-style-type: none"> <li>• At least 5 years of working experience in the Philippines renewable energy sector is required. Experience working with the Energy Regulatory Commission (ERC) is an advantage.</li> <li>• Understanding of the Philippines renewable energy policies, market mechanisms, <u>regulatory</u> framework is a must.</li> <li>• Understanding of the different renewable energy technologies is an advantage.</li> <li>• Experience and understanding of the Philippines electricity market is desired.</li> <li>• Strong quantitative and analytical skills for interpreting market data, assessing market trends, and conducting modeling will be valuable.</li> <li>• Proficiency in data analysis tools, statistical methods, and economic/market modeling software is an advantage.</li> </ul>		5	<p>3.2 The bidder shall provide a clear statement, approach and methodology that demonstrates its commitment to support and mainstream gender equality and social inclusion through its operations and project implementation activities.</p>	5	
<p><b><u>Data Scientist/ Modeling Expert</u></b></p> <p><b>Education:</b></p> <p>Masters degree in Electrical engineer / Renewable Energy / Economics / relevant similar fields with an additional 5 years power system modeling/<u>simulations</u>of relevant experience. A bachelor degree plus an additional 2 years of relevant experience is considered equivalent.</p> <p><b>Experience:</b></p> <ul style="list-style-type: none"> <li>• At least 5 years of working experience in power sector, energy market research, analyses, modeling and simulations is required</li> </ul>				5	<p><b>Total points for section</b></p> <p style="text-align: center;"><b>25</b></p>

## 4. Financial Evaluation

The maximum number of points that a bidder may obtain for the Financial Proposal is 20. The maximum number of points will be allocated to the lowest evaluated price bid. All other prices will receive points in reverse proportion according to the following formula:

Points for the Financial Proposal of a bid being evaluated =

$$\frac{[\text{Maximum number of points for the Financial Proposal}] \times \{\text{Lowest price}\}}{[\text{Price of proposal being evaluated}]}$$

**Financial proposals will be evaluated following completion of the technical evaluation. Only the proposals pass the minimum point in the technical evaluation, will be opened on this stage.**

The bidder with the lowest evaluated cost will be awarded (20) points. Financial proposals from other bidders will receive prorated points based on the relationship of the bidder's prices to that of the lowest evaluated cost.

# 5. Combined Analysis

Combination of total Technical + total Financial Score will be used to select the firm.

The weight of technical : financial offer is 80:20

## 6. Background Check/Due Diligence

Upon completion of the evaluation and prior to contract award, UNOPS shall conduct background checks/due diligence on the offeror recommended for award, to confirm that the offeror meets the criteria set forth in this RFP or as appropriate to the nature of the procurement process.

**UNOPS may reject an offeror's proposal on the basis of the findings.**

# Common Issue with Past Submission based on Previous Tenders

No	Issue	Impact	Tips to prevent the issue
1.	Bidder fails to submit complete information. Critical documents such as price schedule, any components of the technical proposal is missing	Bidder will be disqualified	Please ensure you submit all the documents. Please double check the checklist of the document in the system prior to making submission
2.	Bidder submit the <b>financial proposal</b> along with the technical proposals and its supporting documents for RFP	Bidder will be disqualified	Please double check the checklist of the document in the system prior to making submission. There are different tabs under Vendor Submission tab to upload the financial offer for RFP tender
3.	Bidder fails to submit through the system, and submits the proposal through email	Bidder will be disqualified	UNOPS cannot accept submissions done outside the system. However, if you have difficulties in accessing the portal, please let us know so we can assist.
4.	Bidder has tried to submit through the system, but there was no sufficient time to submit and the deadline pass before bidder can click "submit"	Submission will not be accepted	Please start your submission process as early as possible. Start by checking whether your company is registered in UNGM. UNGM registration might take several days. We suggest you aim to submit at least 1 day before deadline



**Q&A**



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