

INTERNATIONAL PUBLIC TENDER FOR THE DESIGN OF A BID-BASED WHOLESALE ENERGY MARKET, ANCILLARY SERVICES AND CAPACITY MARKET FOR CHILE

Description of the required services																	
Service Name	<p>CEN-L-2372 Design of a bid-based wholesale energy market, ancillary services and capacity market for Chile.</p> <p>The official terms of the tendering procedure correspond to those published in the Spanish language, with the present translation being solely for reference purposes.</p>																
Deadlines	<p>The deadlines associated with the fulfillment of this Contract are as follows:</p> <table border="1"> <thead> <tr> <th>Milestone</th><th>Date</th></tr> </thead> <tbody> <tr> <td>Publication of Tender Specifications</td><td>May 16, 2023</td></tr> <tr> <td>Reception of Questions</td><td>May 30, 2023</td></tr> <tr> <td>Submission of Responses / Amendment of Tender Specifications</td><td>June 12, 2023</td></tr> <tr> <td>Reception of Proposals</td><td>July 17, 2023</td></tr> <tr> <td>Estimated Award Date</td><td>August 01, 2023</td></tr> <tr> <td>Signing of Contract</td><td>August 21, 2023</td></tr> <tr> <td>Kick-off meeting</td><td>At a mutually agreed upon date</td></tr> </tbody> </table>	Milestone	Date	Publication of Tender Specifications	May 16, 2023	Reception of Questions	May 30, 2023	Submission of Responses / Amendment of Tender Specifications	June 12, 2023	Reception of Proposals	July 17, 2023	Estimated Award Date	August 01, 2023	Signing of Contract	August 21, 2023	Kick-off meeting	At a mutually agreed upon date
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Description	<p>The purpose of the consultancy is to develop and propose a design for the implementation of a bid-based wholesale electricity market, ancillary services and, if required, a capacity market in the context of the energy transition towards a 100% renewable matrix.</p> <p>This proposal must include a roadmap for the transition from the current market based on audited costs to the new proposed market design.</p>																
General Considerations	<ul style="list-style-type: none"> Bids must be made through the platform designated by the Coordinator for such purposes, and it is the responsibility of the Bidder to make the necessary arrangements promptly to obtain one or more user accounts to submit their bid. User accounts are free of charge and can be requested by emailing compras_adm@coordinador.cl. The Technical Offers will not be published once they are opened. Participation in this project will not disqualify the awardee from participating in future bidding processes related to this tender. 																
Description and technical specifications of the required service	<p>I. Background:</p> <ol style="list-style-type: none"> On July 20, 2016, Law No. 20,936 was published in the Official Gazette, the last amendment to the General Law of Electrical Services (LGSE, by its acronym in Spanish). This amendment replaced the regulatory treatment of the transmission segment and created a new body, called the Independent Coordinator of the National Electric System, non-profit, ad hoc and endowed with its own legal personality, which would develop the function of coordinating the national electric system as a continuation of the CDECs (by its acronym in 																

	<p>Spanish, “Economic Load Dispatch Center”) from January 1, 2017 onwards.</p> <ol style="list-style-type: none"> 2. The Coordinador -as an autonomous public law entity, with national scope, technical and independent- must ensure a secure and economical operation of all interconnected electrical system installations, thus allowing the country and its inhabitants to be supplied with energy. Likewise, Law N°20.936 assigns new functions to the Coordinador with the aim of improving the operation and coordination of the electrical system. 3. Currently, there are several public and private initiatives aimed at establishing a roadmap or general guidelines for the energy transition that the operation of the National Electric System (“SEN”) is facing. The roadmap for the accelerated transition of the Coordinador has indicated that the SEN is undergoing a profound transformation, on an unprecedented scale and pace, which has implied increasingly challenging operational conditions that have not been witnessed in our country or internationally in other comparable electric systems. 4. Variable Renewable Energies (VRE) is expected to reach up to 100% during the day in some areas of the country. This presents challenges in terms of system security and stability. 5. There are at least 18 GW of VRE projects declared under construction, including storage systems, which presents additional operational challenges, both during commissioning and in the daily management of these resources. 6. The Ministry of Energy, in its Energy Agenda 2022-2026, has stated that “we will accelerate the decommissioning of coal-fired power plants by using less polluting fuels such as gas and bioenergy to ensure supply security and system efficiency even in scenarios of water scarcity in the coming years and to maintain network security while promoting early technology adoption, fostering development towards a zero-emission electric system with adequate infrastructure and significant modernization through digitalization and automation.” Therefore, an operation without coal-fired power plants is expected by 2030. 7. As a result, the Coordinador’s roadmap has identified the need to adopt widely used international market schemes based on energy and ancillary services bids with binding dispatch and capacity payments¹. 8. To achieve the desired outcome, a new bid-based market design is needed for energy, ancillary services, and capacity (if required). This new design should gradually replace the current market mechanism, which is based on audited costs, by 2030. <p>II. Current state of the Chilean energy market design</p> <ol style="list-style-type: none"> 9. The short-term energy market of the SEN is a centralized, multi-nodal wholesale market (Pool) based on audited costs and non-binding day-ahead operation scheduling. In this market, agents declare and support relevant information about their generation resources, such as variable operations and maintenance costs, minimum load, start-up costs, among other technical parameters, to the Coordinador. Alongside this audited cost energy market, there is also an ancillary services market which is cost-based in case it is a non-competitive market and bid-based otherwise. Particularly, the frequency control services are bid-based only for the wear and tear costs of the power plants, existing side payments for opportunity
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¹ Currently, there is a capacity payment that compensates for the optimal investment in capacity and its fixed operation and maintenance costs.

costs and out of merit order generation.

10. Each generator must periodically report fuel availability and its prices or generation forecast in the case of VRE plants. However, there are specific regulations that allow certain technologies to be assigned a different variable operating cost from the declared cost. Such is the case of units that operate with LNG associated to long-term contracts for which the alternative cost of the energy determined by the Coordinador is utilized as variable cost. In the case of the reservoirs, the Coordinador determines the variable cost of the generators by estimating the shadow price of the water solving a long term optimization problem.
11. In the spot market, only generators are allowed to participate, and all loads must have an energy supply contract, which are private bilateral agreements. Generators can also enter into private financial bilateral contracts to hedge their market positions.
12. All the variables associated with costs and technical parameters are used to solve the day-ahead unit commitment problem (UCP) by co-optimizing energy and reserves for frequency control, modeling the system with a high degree of detail and technical constraints, such as restrictions associated with thermal power plants, hydraulic series, and irrigation agreements. As a result of this process, a merit order list is obtained, which is used to update the day-ahead UCP (pre-dispatch) and dispatch units in real-time operation.
13. The energy market is based on locational marginal pricing (LMP). These nodal prices are determined ex-post based on the actual system operation.
14. From a scheduling and operational standpoint, the Coordinador implements the following processes and methodologies:

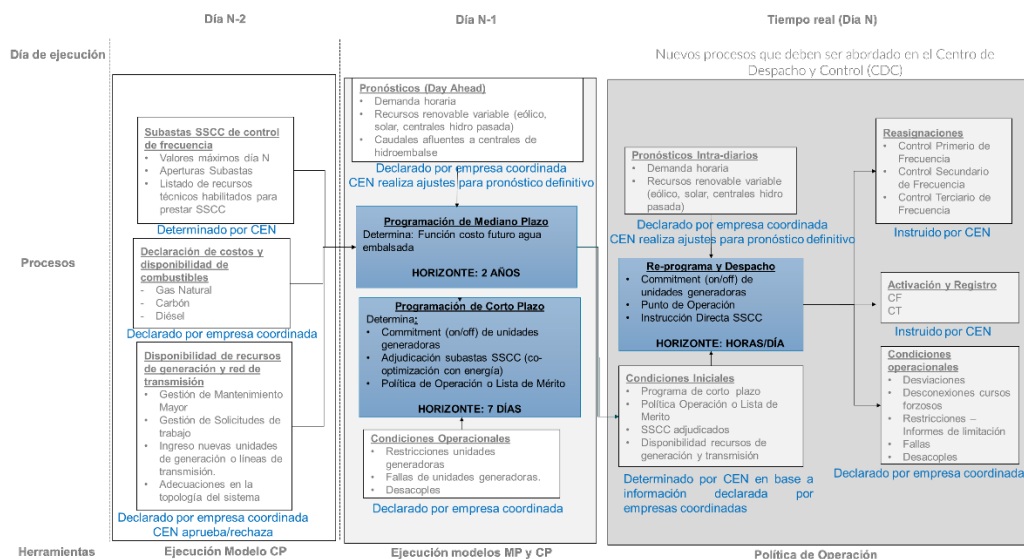


Table: Summary of the market structure of the reference systems.

III. Purpose of the Service:

15. The purpose of the Service is to develop and propose a market design for energy, ancillary

service and capacity (if considered appropriate) in the context of the energy transition towards a 100% renewable matrix.

16. The proposed design must consider and incorporate the effects of: high penetration of VRE and storage systems, both those associated with generating plants and stand-alone systems; distributed energy; as well as the active participation of demand in different markets; potential integration with neighboring countries, and other additional elements that contributes to the security and reliability of the SEN. Likewise, it must identify the processes, technologies and capabilities required for the correct implementation of the proposed new market design with regard to the coordination of operation and administration of the market.

IV. Scope and objectives of the Service

17. General Objective: The overarching aim of the Service is to propose a design for the wholesale market and establish a roadmap for the implementation of a bidding market for energy, ancillary services, and capacity; identifying technical/technological, administrative, financial (guarantees), and implementation challenges, taking into account comparative experience and the progress of existing designs within the Coordinador; comprehensively supporting the energy transition towards a secure, reliable, efficient, and emission-neutral electrical system.

18. Specific Objectives:

- a) Conduct an international benchmark, prioritizing ISOs from The United States of America or Canada, of at least 4 existing bid-based markets with an emphasis on how to integrate storage resources, VRE, distributed energy and demand, identifying current difficulties and proposed solutions along with future reforms to the structure of these markets that are being discussed at the time of providing the consultancy and that could serve as a reference for the Chilean reality. Along with the current reality in each case, the benchmark should consider aspects of implementation efforts and timelines, gathering information on the process carried out. It should consider reviewing processes to mitigate the strategic behavior of market participants, treatment of side-payments, whether or not offers should be mandatory, dynamics of binding day-ahead market and risk mitigation for the agents in real-time operation (resource uncertainty, failures, etc.), as well as aspects of an intraday market, considering in this review and study all technical aspects and requirements for its effective implementation in real-time operation.

- b) Identify at least 2 bid-based market design models that could be adopted in Chile, highlighting its advantages and disadvantages compared to the current short-term market, taking into account its implementation in a practical and effective manner, establishing estimates of implementation horizons in each case, based on what was reviewed in a).

- c) Based on the previous definition, formulate and propose a competitive bidding market design that best adapts to the reality of the Chilean electrical system and its carbon neutrality goals, with a focus on security, economic efficiency and feasibility of implementation (efforts and timelines). Propose the way in which the system operator should manage the market. The design should consider rules for offer formation for generation units, storage systems, demand-side agents, among others, with the aim of ensuring secure and efficient operation and mitigating the risks of market power exercise by agents.

- d) Once the market design model is defined, discrepancies between the proposal and the current market design must be identified in order to achieve the goal, always aiming at a reliable and cost-effective operation, considering: regulatory aspects, technological aspects (software and hardware), and timeframes involved in its implementation.
- e) Establish an optimal roadmap for the transition, with intermediate milestones, and considering a maximum horizon of 7 years to achieve full operation of the proposed market model.

Specific objectives a) and b) are only considered for the purposes of a self-contained report of the proposal, with the primary emphasis of the consultancy being objectives c), d), and e).

The market design proposal should consider factors such as: the existing competition conditions and those expected in the future with the implementation of the proposal, long-term energy goals, and the potential risks (and mitigators) that current and future market actors would face in the new model.

In addition to the current sectoral regulatory framework, consideration should be given to ongoing modifications to environmental regulation or any other public policy outlined for the coming years that could affect the development of the wholesale market.

V. Implementation methodology

- 19. The Project shall be implemented utilizing all available information, and particularly capitalizing on extant knowledge of normative, legal, and financial policy, as well as the prevailing rules and conditions of the energy sector in Chile.
- 20. The work methodology must consider meetings and information exchanges with the Coordinador's teams, the identification of needed capability development, knowledge transfer in the design and implementation of the proposed market design, identifying technical and implementation challenges considering comparative experience and the progress of existing designs within the Coordinador.
- 21. At least one progress meeting with the various stakeholders of the Coordinador shall be considered to gather their comments or considerations early on and integrate the most relevant ones for the market design proposal as requested in this document. Such meeting(s) must be proposed by the Consultant in the work plan and must be prior to specific objective 18 c) previously mentioned.

VI. Scope of Work

- 22. The consultant must make available all their resources, experience, and available data, as well as provide the schedules, spreadsheets, reports and presentations necessary to meet the objectives and complete the scope of work within the specified time.
- 23. The Coordinador will provide fundamental practical knowledge of the operation of the national energy market and it is expected that the counterpart will contribute their knowledge on global trends in the development of competitive energy markets, renewable energies and storage, ancillary services and related market management mechanisms, to achieve the energy transition to an emission-free system in Chile.

	<p>24. The Project will operate under the supervision of a Technical Committee and the general direction of a Steering Committee, which will be defined by the Coordinador. These committees will act as the counterpart for this project in the corresponding instances and provide guidance on the results of the different stages of it, ensuring the proper development of the consultancy.</p>
Stages, deliverables and deadlines	<p>The required service should consider, at least, the following stages and deliverables:</p> <p>Product 1 - Specific Objective 18 (a) and (b): A report with the required analysis, which must be delivered within a maximum period of 60 calendar days after the contract is signed. A progress report must be delivered 30 calendar days after the contract is signed.</p> <p>Product 2 - Specific Objective 18 (c): A report with the required analysis, which shall not exceed a maximum of 90 calendar days for delivery after the contract is signed.</p> <p>Product 3 - Specific Objective 18 (d): A report with the required analysis, which must be delivered within a maximum term of 120 calendar days after the contract is signed.</p> <p>Product 4 - Specific Objective 18 (e): A report with the required analysis, which shall be delivered within a maximum period of 150 calendar days after the contract is signed.</p> <p>Product 5 - Final Report: A final report including all deliverables described in this section.</p> <p>The Consultant may propose stages or deliverables on different dates and conditions than those previously stipulated, subject to the fulfillment of the general and specific objectives, considering a maximum term of 150 calendar days after the contract is signed.</p> <p>Each deliverable shall include the submission and presentation of a preliminary report for observations by the Coordinador's team and a final report, incorporating the Coordinador's comments.</p> <p>The submission to the Coordinador's team will be done remotely; however, at least two in-person presentations should be considered. Additionally, the Project Manager from the Consultant's side must participate in an open seminar at the end of the project, in person and on a date to be defined in coordination with the Coordinador. This seminar will involve presenting the project results. Although there is no specific number of meetings required, it is recommended to hold periodic progress presentations (as proposed by the Consultant) remotely with the Coordinador's Technical Committee, especially for the initial deliverables of the specific objectives and the project kick-off.</p> <p>All reports associated with each deliverable can be prepared in either English or Spanish. However, the Final Report for Deliverable 5 must be provided at least in Spanish. All aforementioned reports will be considered public and may be published on the Coordinador's website.</p>
Information Management	<ul style="list-style-type: none"> - Based on the available information, the Coordinador will ensure that all data and documents are available to the implementing entity and its personnel and management remain reasonably available to support the Project and receive technical assistance at each of its stages. - The consultant shall use the most recent information available on wholesale market design mechanisms worldwide and the role of independent system operators (ISOs) in order to meet the objectives of the Project. - The consultant shall also use the most recent information available worldwide on the implementation of the wholesale energy market considering a high penetration of variable

	<p>renewable energies and storage systems, active demand participation, and distributed energy resources, among others.</p> <ul style="list-style-type: none"> - The final report will be public in nature, so the intellectual property of the work will belong to the Coordinador, who reserves the right to publish it on their website and social networks upon completion and approval.
Public Documents of Interest	<p>Notwithstanding the analyses carried out by the bidders, for the purpose of reducing information asymmetries, the following links to documents of interest related to this service are provided.</p> <p>(2022) Hoja de Ruta para una transición energética acelerada. Disponible en https://www.coordinador.cl/desarrollo/documentos/estudios-de-planificacion/hoja-de-ruta-para-una-transicion-energetica-acelerada/</p> <p>(2021) Diseño para el perfeccionamiento del mercado eléctrico nacional en la transición hacia esquemas de ofertas incorporando señales de flexibilidad y nuevos agentes participantes. Disponible en https://www.cne.cl/wp-content/uploads/2022/07/Dictuc-Vinken-Diseño-para-el-perfeccionamiento-del-mercado-electrico-nacional.pdf</p> <p>(2021) Eficiencia de la señal de costo de la potencia. Disponible en https://acenor.cl/documentos/Eficiencia de la Señal de Costo de la Potencia.pdf</p> <p>(2018) Estudio Diseño de mercado para una alta penetración de energía renovable variable en el mercado eléctrico chileno. Disponible en http://generadoras.cl/documentos/estudios/estudio-diseno-de-mercado-para-una-alta-penetracion-de-energia-renovable-variable-en-el-mercado-electrico-chileno-ii-univ-de-comilas-synex-eeec</p> <p>(2017) Mapa de procesos del Coordinador Eléctrico Nacional. Disponible en https://www.coordinador.cl/wp-content/uploads/2018/12/Mapa-de-Procesos-CEN.pdf</p>
Proponent's Experience, Key Team and Resources	<p><u>Proponent's Experience:</u></p> <p>The proponent (hereinafter, the "Proponent") declares to be a legal or natural person and to have at least 10 years of experience advising or working for regulatory entities and/or ISOs in the USA, Canada, Australia and/or Europe. Fulfillment of this requirement is essential for the provision of the consultancy services specified in the present solicitation.</p> <p><u>Key Team:</u></p> <ul style="list-style-type: none"> • Project Manager: This is the person who will act as the technical counterpart of the Coordinador, responsible for coordinating the execution of the service. <p>The Project Manager shall remain accessible to the Coordinador for the duration of the</p>

	<p>Consultancy; they must possess professional specialization and/or academic expertise with recognized experience in international bid-based markets, preferably in the North American and/or European market. This international expert must have a minimum of 15 years of experience advising or working for regulatory entities and/or ISOs in the USA, Canada, Australia and/or Europe.</p> <ul style="list-style-type: none"> • Work Team: Shall comprise at minimum: (1) professional within the electricity sector and/or academic with recognized experience and trajectory in the national electricity market, (1) professional in the field of economic sciences with experience in bid-based electricity markets and who has provided counsel on the design of such markets at an international level, preferably in the North American and/or European market. This professional must possess a minimum of 10 years of experience advising or working for regulatory entities and/or ISOs in the USA, Canada, Australia and/or Europe. (1) professional possessing established experience in regulatory affairs within the domestic electricity sector. The aforementioned professional could coincide with the first individual referenced, provided that they can furnish evidence of expertise in both domains. <p>For the purposes of evaluating the proposals, the Proponent must submit a list of the professionals who make up the Key Team, containing:</p> <ul style="list-style-type: none"> a) Full name. b) Profession. c) Description of the role and functions to be performed during the Consultancy. d) Curriculum vitae. e) Number of hours assigned to the project. <p>The submission of the roster must be accompanied by a description of the competencies with the aim of demonstrating the team's capacity to fulfill the demands and deliverables of the Consultancy, which must be verifiable.</p> <p><u>Resources:</u></p> <p>It is incumbent upon the Proponent to possess all the necessary resources (office, computers, software necessary for reading Word, Excel, PDF files, etc., with their corresponding licenses, telephone and others) for the execution of the services.</p> <p>The Coordinador will not provide any of these resources.</p>
<p>Ineligibilities</p>	<p>During the execution of the service, the assigned team members are not allowed to provide professional services to coordinated companies, other Chilean companies or organizations in the energy sector, or entities directly or indirectly related to them, in matters related to this tender. Examples of such matters include price formation, mitigation measures for energy markets, SSCC (Ancillary Services), capacity, and interaction between these markets, among others. However, this restriction does not apply to services initiated prior to the date of receipt of offers.</p>

	<p>Furthermore, the Coordinador may request that the Proponent replace or exclude personnel whose incompatibilities may compromise the transparency of the services, the security and confidentiality of information handled in tendering processes, or the credibility of said processes. Such request shall be submitted to the Proponent in writing, indicating the rationale thereof. In such an event, the Proponent must immediately exclude from the services any personnel exhibiting incompatibility and, where applicable, replace such personnel within a period not exceeding 15 business days from receipt of the request.</p> <p>By virtue of the foregoing, should any of the aforementioned incompatibilities be declared, the Coordinador shall evaluate them for the purpose of determining the continuity of the services, on the terms indicated in the preceding paragraphs, and will allow the Coordinador to exclude its proposal from this tendering process, in cases where it deems it appropriate. Notwithstanding the foregoing, the Coordinador may terminate the Contract, Annexes or Addenda early if it considers that such incompatibilities prevent the Proponent from continuing with the services on the terms previously indicated. To this end, the Coordinador will notify such situation to the Proponent, with a notice of thirty (30) days prior to the date established for termination of services, and will pay for all services accrued and effectively executed up to the date of early termination. In any case, at any time, the Coordinador may request information substantiating this situation.</p> <p>Non-compliance with this disqualification shall authorize the Coordinador to effect immediate early termination of the Contract, without any right to compensation.</p>
Administrative Offer	
Administrative Offer	<p>The Administrative Offer will consist of those documents that serve to identify the Bidder, verify its legal existence and accredit compliance with the requirements established in this instrument.</p> <p>Annex 1: Declaration of acceptance of the Contracting Conditions and their Annexed documents</p> <p>The Bidder must attach a declaration of acceptance of the Contracting Conditions and Annexed documents signed by its Legal Representative(s), in accordance with the format established in Annex 1 of these Contracting Conditions.</p> <p>Annex 2: General Information of the Bidder</p> <p>In order to properly identify each Bidder, they must submit the General Information Form of the Bidder, in accordance with Annex 2 of these Contracting Conditions.</p> <p>Annex 3: Verification of risk background and Declaration of PEP and/or PEPco Condition.</p> <p>As part of the selection process, the Coordinador will verify the Bidder's background in order to establish whether its main executives, directors and partners have the status of Politically Exposed Persons individually (PEP) or via connections (PEPco). In case PEP or PEPco status or background in other risk control systems that are determined is verified, such Bidders may only be contracted with prior approval from the Board of Directors. For the purpose of conducting such verification, the Bidder must attach a Declaration of PEP and/or PEPco Condition, in accordance with Annex 3 of these Contracting Conditions, signed by its legal representative(s), and submit the information required in the "Information for Background Verification" section of the General Information Form of the Bidder.</p>

	<p>The background information and the results of the verification carried out will be handled under strict confidentiality conditions and will be exclusively utilized by the Coordinator for the purposes of this selection process.</p> <p>Annex 4: Related Party Declaration</p> <p>The members of the Board of Directors, Executive Director and main Executives of the Coordinator, as well as their related parties, i.e. spouses, cohabitants, civil partners or relatives up to the second degree of consanguinity or affinity (grandparents, parents, siblings, children, grandchildren, in-laws, brothers-in-law), may only enter into acts or contracts with the organization, especially contracts for the purchase and/or sale of goods and/or services, provided that such acts or contracts are reviewed and approved in advance by the Board of Directors, after review by the Management, Risk and Audit Committee of the Coordinador Electrico Nacional.</p> <p>The Bidder must indicate if any of its Legal Representative(s), main executives, partners and/or personnel who worked on and prepared the presentation of the referred Proposal falls under any of the aforementioned causes. This must be indicated in Annex 4: Related Party Declaration so that their participation in the contracting process can be approved by the Board of Directors as indicated in the preceding paragraph. If such declaration is not presented, the Coordinador may discard the offer and/or terminate the Contract early if it had been entered into. The Coordinador may request information from the Bidder at any time to verify compliance with the provisions of this section.</p>												
Administrative Evaluation	<p>In the Evaluation of the Administrative Offer, it will be verified that the documents requested by these Contracting Conditions from the Bidder have been included in it. During the evaluation stage of the Offer, the Coordinador may request from the Bidder all the information it deems pertinent with the objective of verifying, supplementing and/or completing the background information contained in the Administrative Offer, and may also request that formal errors be corrected, provided that the principle of equality and adherence to the Contracting Conditions is respected, determining a deadline for this, which may not exceed 5 business days. If, after the request, a Proposal still lacks sufficient documents or If the errors identified by the Coordinador have not been rectified within the specified time frame, the Bidder to whom such Proposal corresponds may be disqualified.</p>												
Technical Offer													
Technical Offer	<p>The Technical Proposal necessitates adherence to, at a minimum, all of the prerequisites listed in the “Proponent’s Experience” section, in conjunction with the factors delineated in the subsequent table:</p> <table><tr><th>Technical Evaluation</th><th colspan="2">Score</th><th>Weighting</th></tr><tr><td rowspan="2">1. Relevant experience and competencies in the required Service of the Project Manager.</td><td>Greater than or equal to the minimum</td><td>80 a 100</td><td rowspan="2">25%</td></tr><tr><td>Below the minimum or Project Manager not identified</td><td>0</td></tr></table>			Technical Evaluation	Score		Weighting	1. Relevant experience and competencies in the required Service of the Project Manager.	Greater than or equal to the minimum	80 a 100	25%	Below the minimum or Project Manager not identified	0
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Total execution time of the service	The Service will commence upon the signing of the Contract and will remain in effect until January 31st, 2024.																			
Economic Offer																				
Economic Offer	<p>The Economic Offer must indicate the total price for fulfilling the service in USD, including net price, VAT and other taxes if applicable. Payments will be made in USD to the individual(s) or entity that supports the awarded bid and signs the contract.Payment for services will be made upon approval of all Deliverables and express approval from the Coordinador Eléctrico Nacional, which will be executed through the Service Entry Sheet (HES) Document. The Bidder must issue an invoice - invoices from foreign companies will be accepted., payable within 30 calendar days from its delivery by electronic means. If services are VAT exempt, it must be explicitly stated in the Proposal</p>																			
	<p>The Coordinador Eléctrico Nacional reserves the right to request improved offers from Bidders who meet administrative and technical requirements prior to awarding. For this purpose, the following considerations shall be taken into account:</p>																			

	<p>a) Only those bidders who have complied with the administrative requirements and technical requirements of the required Service may be requested to improve their offers. b) Bidders will be summoned to present improved offers simultaneously and will have the same period to prepare and present their offers.</p> <p>a) Only those bidders who have complied with the administrative requirements and technical requirements of the required Service may be requested to improve their offers.</p> <p>b) Bidders will be summoned to present improved offers simultaneously and will have to prepare and present these new offers within the same timeframe.</p> <p>c) Bidders may not modify the Content of the offer previously presented and may only modify its Price. The objective of improving the Economic Offer is to enable more competitive offers with respect to proposals that meet technical requirements, without requiring any modification in this regard.</p> <p>d) If a bidder does not present their improved Economic Offer, or the offer presented does not represent an improvement over the one initially presented, it will be understood that they ratify their initial Economic Offer and will not be disqualified for this fact. In this case, the final evaluation of the Proposals must be carried out considering the terms of their original offer.</p>						
Award Criteria	<ul style="list-style-type: none"> - Comply with established mandatory requirements. - Economic evaluation applies a rule of 3 between the most economical and participant's offer, with the most economical receiving a score of 100. - Awarding is based on the best weighted evaluation: Technical Evaluation x 70% + Economic Evaluation x 30%. - Tie Resolution: <ul style="list-style-type: none"> o Ties are resolved by awarding to the bidder with the greatest "Project Manager Experience" or, if a tie persists, to the bidder with the most experienced Team. <p>If the Awardee withdraws their Proposal or fails to execute the Contract within the specified timeframe, the Coordinador may entrust the work to the next highest scoring Bidder or declare the Tender void.</p>						
Payment Method	<p>Payment for services will be made upon approval of the documents pertaining to this Service, contingent upon the express approval of the Coordinador, as specified below:</p> <table border="1"> <thead> <tr> <th>Deliverable</th><th>Payment (%)</th></tr> </thead> <tbody> <tr> <td>First payment upon approval of Product 1 for a maximum of thirty (30) percent of the contract amount.</td><td>30% of the contract value</td></tr> <tr> <td>Second payment after completion, subject to the approval of the Coordinador, of the reports and associated meetings for all specific objectives defined in section 18</td><td>70% of the Contract value</td></tr> </tbody> </table> <p>Upon express approval by the Coordinador Eléctrico Nacional of the Deliverables, the Proponent must issue the corresponding invoices, which will be paid within 30 calendar days from the delivery</p>	Deliverable	Payment (%)	First payment upon approval of Product 1 for a maximum of thirty (30) percent of the contract amount.	30% of the contract value	Second payment after completion, subject to the approval of the Coordinador, of the reports and associated meetings for all specific objectives defined in section 18	70% of the Contract value
Deliverable	Payment (%)						
First payment upon approval of Product 1 for a maximum of thirty (30) percent of the contract amount.	30% of the contract value						
Second payment after completion, subject to the approval of the Coordinador, of the reports and associated meetings for all specific objectives defined in section 18	70% of the Contract value						

	<p>of the invoice by electronic or physical means, at their offices, as specified in the Contract..</p> <p>The invoicing process must follow the following scheme:</p> <p>Send Electronic Invoice to the DTE Coordinador mailbox:</p> <p>dte_prod_cisen@smtp.suiteelectronica.com</p> <p>REFERENCE FIELD 801: PURCHASE ORDER.</p> <p>The Purchase Order Number must be duly recorded, and such data must be provided by the Contract Administrator or the individual or entity requesting the Supply or Service. The Supplier is required to obtain this information prior to commencing the provision of the Service.</p> <p>REFERENCE FIELD 802: CONFORMING RECEIPT.</p> <p>In Field 802 of the DTE, the Service Receipt Number (HES) must be duly recorded. This number must be obtained from the Contract Administrator or the individual or entity requesting the purchase once the delivery of Services has been received in accordance.</p> <p>Invoices that fail to comply with these stipulations will be automatically rejected by the electronic invoicing system.</p>	
Fines		
Delays: Yes ____ No <u>X</u>	Changes in the Team: Yes ____ No <u>X</u>	Non-compliance with Methodologies: Yes ____ No <u>X</u>

A. STANDARD CONDITIONS FOR THE CONTRACTING OF SERVICES

1. Declaration of Acceptance of Terms and Conditions and its Annexes

The Supplier must attach the Declaration of Acceptance of Contracting Conditions signed by its legal representative(s), in accordance with the model included in these Conditions. In this declaration, the Supplier accepts the conditions and stipulations that include these Conditions. In addition, in this declaration the Supplier must record the validity period of the offers submitted and the absence of incompatible negotiation grounds.

These Conditions prevail over any other condition or requirement established by the Supplier in its respective offer (hereinafter, the "Offer" or "Offers").

2. Description and identification of the Supplier and Accreditation of Legal Existence

In order to properly identify each Supplier, it shall submit the General Information Form of the Supplier, in accordance with the template provided in these Conditions. The 'Coordinador Eléctrico Nacional' reserves the right to request from the Supplier, at any time, information, clarifications, additional or complementary documents, for the purpose of verifying or supplementing legal background and compliance with these contracting conditions.

3. Regarding Offer Costs and Expenses

All costs and expenses incurred by the Supplier in preparing its Offer, whether direct or indirect, shall be borne solely by the Supplier.

4. Regarding Offer Validity

The Offer shall have a validity period equal to or greater than sixty (60) business days from the date of submission. In any event, validity must correspond to that which is requested in the respective Terms of Reference.

5. Incompatible Negotiation

The members of the Board of Directors, Executive Director and Principal Executives of the Coordinador, as well as their related parties, i.e., spouses, cohabitants, civil partners or relatives up to the second degree of consanguinity or affinity (grandparents, parents, siblings, children, grandchildren, in-laws, siblings-in-law), may only enter into acts or contracts with the organization, especially contracts for the purchase and/or sale of goods and/or services, once such acts or contracts have been reviewed and approved in advance by the Board of Directors, following review by the Management, Risk and Audit Committee of the Coordinador Eléctrico Nacional.

The Supplier shall indicate if any of its legal representative(s), principal executives and/or personnel who worked on and prepared the submission of the referred Proposal falls under any of the aforementioned grounds and must so state in the Related Party Declaration so that its participation in the contracting process may be approved by the Board of Directors as indicated in the preceding paragraph. If such declaration is not submitted, the Coordinador may reject the offer and/or terminate the Contract early if it has been entered into.

In the event that the Supplier falls under any of the aforementioned grounds, it may still submit its offer along with the Related Party Declaration as indicated in these Conditions. Otherwise, the Coordinador may reject the offer and/or terminate the Contract early if it has been entered into.

The Coordinador may request from the Supplier at any time information that allows verification of compliance with this provision.

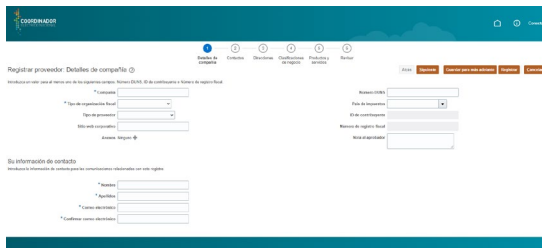
6. Offer content

The Offer must contain:

- a) Description of the service, methodologies, Deliverables, and all information that allows understanding the offer presented by the Supplier, including what is requested in the Terms of Reference and all additional aspects offered by the Supplier.
- b) Price, indicating unit price, total unit price, net price, VAT if applicable and total price.
- c) Delivery time.
- d) Payment method (against electronic invoice or professional fee receipt), within 30 days. In case of foreign companies, the Coordinador may make respective payments via Swift or other similar mechanism.
- e) Duration and terms of warranty or support and maintenance service if applicable.
- f) Warranty exclusions if applicable.
- g) Installation and commissioning costs if applicable.
- h) Service levels if applicable.

7. Participation in the Process

Natural or legal persons invited to participate in a Multiple Offer Process must register on the Coordinador's Tender Portal by completing the Portal's registration form as shown in the figure below.



In the event that the user has previously registered on the Portal, they will not need to do so again and will only need to enter their username and password to access it. The correctly registered user will be able to access the Tender Portal by entering their username and password, completing the fields indicated below.



After registering, interested parties who require it may request the addition of more users through the Portal's Help Desk.

8. Coordinador's Tender Portal

The Coordinador will manage the development of the Process through its website and web portal, hereinafter referred to as the Portal, which will be accessible at <https://login-enlw-saasafprod1.fa.ocs.oraclecloud.com>.

Annex No. 5 contains Standard Conditions for Contracting Services and/or Goods on the Tender Portal at <https://login-enlw-saasafprod1.fa.ocs.oraclecloud.com>.

The following outlines the principal stages of the Process to be conducted via the Portal:

- i. Download of Service and/or Goods Contracting Terms.
- ii. Participant Inquiries regarding Service and/or Goods Contracting Terms.

- iii. Coordinador Responses to Inquiries.
- iv. Submission of Administrative Offer.
- v. Submission of Technical Offer.
- vi. Submission of Economic Offer.
- vii. Certificate of Receipt of Administrative, Technical, and Economic Proposals from the Portal.
- viii. Clarifications to Administrative, Technical, and Economic Proposals.
- ix. Communications with Participants and Proponents.

The procedures for utilizing the Portal and executing the aforementioned stages will be duly communicated to Interested Parties, Participants, and Proposers as applicable.

9. Errors or Omissions in the Offer

Any errors, omissions, amendments, strikeouts, inaccuracies in document translations or conditions of any kind contained within quotations or documents forming part thereof, whether mathematical or otherwise, shall be the sole responsibility of the Supplier and shall not alter the prices of its Offer nor its obligation to comply with these Terms.

This is without prejudice to the authority of the Coordinador Eléctrico Nacional to request amendments to the Offer.

10. Risk Background Verification

As an integral component of the selection process, the Coordinador will conduct a background investigation of the Supplier to ascertain whether its main executives, directors, and partners are classified as Politically Exposed Persons (PEP) either individually or through connections (PEPco), as well as to determine whether they possess any restrictions or records within other risk control systems, such as the United States Office of Foreign Assets Control (OFAC), as delineated within the respective contracting terms. In the event that PEP, PEPco, or records within other risk control systems are verified, contracting with such Suppliers may only proceed with prior approval from the Board of Directors.

To facilitate this verification process, the Supplier must furnish a Declaration of Politically Exposed Persons (PEP) Condition either individually or related, in accordance with the model included in these Conditions and duly signed by its legal representative(s). Additionally, the Supplier must provide the information requested within the "Information for Background Verification" section of the Supplier General Information Form.

All background information and results obtained from the verification process will be managed under strict conditions of confidentiality and will be utilized solely by the Coordinador for the selection process in question.

In instances where a Declaration of Politically Exposed Persons (PEP) Condition has been previously submitted to this Coordinador within any contracting process during the last 6 months, a new Declaration must only be made in the event of any relevant corporate modification.

11. Offer Selection

The submission of a Offer is not binding for the Coordinador Eléctrico Nacional, who reserves the right not to contract the services at any time, prior to or subsequent to the delivery of the Offer, as well as to disregard any quotations that fail to comply with the stipulations set forth in these Terms of Reference.

12. Contract Subscription

Upon selection of the Offer of the awardee, the Coordinador Eléctrico Nacional will require the Provider to subscribe a Contract.

No service may commence until such instrument has been duly issued and subscribed, except upon explicit request by the Coordinador.

The Contract may establish stricter or additional conditions for the Provider than those indicated in these General Conditions, depending on the nature of the good or service in question.

13. Price Payment

The Coordinador Eléctrico Nacional will pay the price established in the selected offer, in accordance with what is stated in the terms of reference or in the Contract and against express conformity of full receipt of Deliverables required as part of the service.

Upon receipt of such confirmation, the Provider must issue its electronic invoice, which will be remitted within 30 calendar days from its receipt, taking into account the data declared by the Provider in their "General Information Form for Providers".

14. Intellectual Property

All Deliverables, reports, studies, and any other material generated in the course of executing the service, including calculation spreadsheets and database files, will be the exclusive property of the Coordinador Eléctrico Nacional and will remain in their possession, with the Coordinador being able to distribute them. In this regard, the Provider agrees to sign all documents necessary to ensure that intellectual and industrial property rights remain under the exclusive ownership of the Coordinador, hereby waiving any payment for the signing of such documents.

The Coordinador Eléctrico Nacional will be exempt from all liability in the event of any claim regarding intellectual or industrial property related to the services or obligations delivered by the Provider. In the event that the Coordinador Eléctrico Nacional is sued for infringements of intellectual or industrial property rights related to the services or obligations delivered by the Provider, it may seek recourse against the Provider; who must assume all damages and expenses incurred, including legal fees arising from said dispute.

15. Confidentiality

The Provider is obligated not to disclose to third parties nor utilize for any purpose other than fulfilling its obligations as part of executing the service any technical, engineering, operational or economic information that may be provided by the Coordinador Eléctrico Nacional in connection with the service ("Relevant Information"), except under the following circumstances::

- a) The Coordinador Eléctrico Nacional has granted prior written authorization to disclose Relevant Information.
- b) The Relevant Information is already within the public domain at the time it is received by the Provider for reasons that do not constitute a breach of confidentiality obligations attributable to either the Provider or its personnel.
- c) That the Relevant Information was already in the possession of the Provider prior to being disclosed by the Coordinador Eléctrico Nacional for a reason that does not imply a breach of a confidentiality obligation attributable to the Provider or its Personnel.
- d) That it is required by the Chilean ordinary justice. In this case, and prior to delivering the information, the Provider must inform the Coordinador Eléctrico Nacional of this circumstance so that it can assert all rights that assist it in protecting the Relevant Information.

The burden of proof, which must necessarily consist of written evidence, that the disclosed Relevant Information falls within one of the exceptions will be borne by the Provider.

The Provider may not make public statements related in any way to the service without prior written authorization from the Coordinador Eléctrico Nacional.

The Provider may not act on behalf of the Coordinador Eléctrico Nacional before third parties without prior written authorization from the same.

These obligations will remain in force for a period of 5 years from the end of the service or for the period established in the respective Contract.

16. Professional Secrecy.

The Provider undertakes to maintain professional secrecy with respect to all matters that have the character of Relevant Information, an obligation that will subsist once the Contract has ended.

17. Force Majeure

Force majeure or fortuitous event shall be understood as an unforeseen event that cannot be resisted in accordance with the provisions of Article 45 of the Chilean Civil Code.

In case of a fortuitous event or force majeure that prevents the Awardee from complying with its obligations under the Contract, or an event that makes the execution of the Contract impossible, the Awardee shall be released from liability, for the duration of such event, concerning the breach of the corresponding obligation(s), without either party being able to request compensation of any kind from the other party. In this sense, a fortuitous event or force majeure may only be used as a motive for delaying the date of compliance.

The Awardee affected by the fortuitous event or force majeure shall notify such situation by email to the Coordinador, providing the background information supporting the foregoing. This background information shall include relevant information related to the non-compliance, including, without limitation, the measures taken and an estimate of the time required to rectify the non-compliance.

After sending such communication, the Coordinador shall qualify, according to the background and facts invoked, if indeed a Fortuitous Event or Force Majeure has occurred, indicating the effects of its configuration, being able to terminate the Contract in advance or modify the terms established in the Contract, in case the Fortuitous Event or Force Majeure does not refer to the totality of the obligations to be fulfilled by the Awardee.

In case the fortuitous event or force majeure only makes impossible the execution of some obligations and not of the total of the contract, the Coordinador shall only relieve the Awardee from liability concerning such obligations, and the latter shall comply with the other stipulations to which it has bound itself.

The same communication shall be made once the fortuitous event or force majeure has ceased. The Awardee shall immediately resume the performance of the affected obligations once the force majeure event has ceased.

18. Regulation of the Employment Relationship

These Conditions are of a purely civil nature, governed solely by the provisions of the Civil Code, so that the services will be

provided without any relationship of subordination or dependence. The Services will be provided by the Proponent as an independent contractor, in accordance with their own methods and procedures, without being subject to supervision, control or dependence on the Coordinador Eléctrico Nacional in this regard.

De esta manera, las partes dejan constancia de que el Coordinador no tendrá vínculo alguno de carácter laboral, previsional o de cualquier orden con los trabajadores, dependientes, asesores, consultores, contratistas o subcontratistas que el Proponente contrate o tenga a su cargo para prestar los Servicios, no existiendo a su respecto vínculo de subordinación o dependencia alguno con el Coordinador Eléctrico Nacional. Por lo tanto, queda claramente establecido que el Proponente será el único responsable del cumplimiento de todas las obligaciones laborales, previsionales y de seguridad y salud en el trabajo que procedan respecto a sus trabajadores, con quienes mantiene en forma exclusiva un vínculo laboral.

Conforme con lo señalado en el párrafo anterior, el Proponente protegerá y mantendrá íntegramente indemne al Coordinador Eléctrico Nacional de cualquier reclamo, cobro, multa, sanción o demanda originado por el incumplimiento del Proponente de sus obligaciones laborales y previsionales. Asimismo, el Proponente protegerá y mantendrá íntegramente indemne de cualquier perjuicio eventuales gastos, costos o perjuicios en que esta última deba incurrir por el hecho de los trabajadores del Proponente o sus subcontratistas.

Accordingly, the parties hereby acknowledge that the Coordinador shall have no labor, pension or other relationship with any workers, dependents, advisors, consultants, contractors or subcontractors that the Proponent may engage or have under their charge for the purpose of rendering the Services, and no relationship of subordination or dependence shall exist with respect to the Coordinador Eléctrico Nacional. It is therefore explicitly established that the Proponent shall bear sole responsibility for complying with all labor, pension and occupational health and safety obligations that may arise with respect to their workers, with whom they maintain an exclusive employment relationship.

In accordance with the preceding paragraph, the Proponent shall indemnify and hold harmless the Coordinador Eléctrico Nacional from any claims, collections, fines, sanctions or demands arising from the Proponent's failure to comply with its labor and pension obligations. Furthermore, the Proponent shall indemnify and hold harmless from any harm any expenses, costs or damages that the latter may incur as a result of actions taken by the Proponent's workers or subcontractors.

19. Validity, Renewal and Early Termination of Contract

The Service shall come into effect upon the signing of the Contract and shall remain in force until January 31, 2024, inclusive.

The Coordinador Eléctrico Nacional will be empowered to terminate the Contract early without the need to provide any compensation to the Consultant in the following cases:

- a. If the Awardee enters into any kind of agreements with their creditors or is in notorious insolvency; without prejudice to the provisions of article 57 letter c) of Law No. 20.720;
- b. If, in the case of legal entities, the contractor entity is dissolved;
- c. If the Awardee incurs in relevant or repeated non-compliance with its obligations under this Contract and such non-compliance is not remedied within 10 days, which will be interpreted by the Coordinador in accordance with point 21 of these Bases;
- d. In case of abandonment of the agreed services. Abandonment will be understood when there is an unjustified delay of more than 10 days for the fulfillment of any of the milestones established in the Bases and in the Contract;
- e. Substantial modification of the Key Team that is not authorized or ratified by the Coordinador;
- f. For breach of confidentiality obligations;
- g. By rescission or mutual agreement of the parties;
- h. Transfer or assignment that is not authorized or ratified by the Coordinador;
- i. For infringement of intellectual property rights in accordance with these Conditions.

Notwithstanding the foregoing, the Coordinador Eléctrico Nacional will be empowered to terminate the Contract early at any time and without stating a cause, by written notice to the Consultant at least thirty (30) days prior to the date on which it wishes to terminate the Contract, without further liability for the Coordinador, nor shall this give rise to any right to claim compensation of any kind on behalf of the Provider.

20. Liability

The Provider shall execute its obligations in strict compliance with all applicable regulations and in accordance with the highest ethical and professional standards. In particular, but without limitation, the Provider shall strictly comply with all laws, regulations, resolutions of administrative or judicial authorities and any other applicable regulations, including but not limited to civil, environmental, labor, social security, intellectual and industrial property, occupational safety, tax, etc..

The Provider shall execute its obligations:

- a) In accordance with the standard of an expert in the field, adhering to the highest ethical and professional standards and in compliance with industry best practices; and,
- b) With strict timeliness, as time is of the essence in fulfilling them.

21. Proponents who fail to comply with Tender obligations

Exceptionally, for this tender process, Proponents will not be required to submit a Proposal Seriousness Guarantee together with their Proposal. In the event that a Proponent fails to comply with the obligations established in these Tender Bases, the Coordinador Eléctrico Nacional will not consider said Proponent in procurement and service contracting processes for a period of eighteen (18) months from the date on which the Coordinador communicates said non-compliance by the Proponent. Likewise, the Coordinador Eléctrico Nacional will exclude said Proponent from this tender process and apply what is indicated above, among others, in the following cases.

- (i) If, once the Proposal has been submitted, the Proponent abandons or withdraws from participating in all or part of the Tender Process; if the Proponent does not sign the Contract, or if it appears that they will not fulfill their obligations due to notorious facts.

For these purposes, it will be understood that the Proponent has withdrawn from the Tender Process, among other cases, if once the Proposal has been submitted, the Proponent gives written notice to the Coordinador of their withdrawal or if they do not respond in writing to one or more requests made by the Coordinador in the context of the Tender Process within the timeframes established by the Coordinador to respond to such request on each occasion.

The Proponent's withdrawal based on a substantial modification of the Tender Bases by the Coordinador will not be grounds for not considering said Proponent in procurement and service contracting processes of the Coordinador, provided that said Proponent gives written and substantiated notice, to the satisfaction of the Coordinador, of their withdrawal within three calendar days following notification of said modification by the Coordinador. For these purposes, a substantial modification shall be understood as one that affects an essential aspect of the Tender Bases (for example, modification of the object of Consultancy), excluding from this concept a modification of deadlines, Calendar of Main Activities, request for additional background information or form of presentation of Proposals, among other cases;

- (ii) If the information provided by Proponents in their Proposals is not truthful and accurate or has misled the Coordinador in awarding the Tender;
- (iii) If Proponents have concealed information that in the opinion of the Coordinador is relevant for evaluating and awarding their Proposal;
- (iv) If the Proponent, its partners or shareholders carry out acts aimed at (or incur omissions that could result in) liquidating, dissolving or terminating the legal entity of the Proponent, its business or operations, or if there is a change in control of ownership of the Proponent;
- (v) If the Proponent incurs in cessation or suspension of payments, acknowledges in writing their inability to pay debts, makes a general assignment or abandonment of assets for the benefit of their creditors or if there is an acceleration of any obligation assumed by them; or
- (vi) If a judicial or extrajudicial process or procedure is initiated against the Proponent or their assets aimed at their regularization, administration,

liquidation, reorganization or dissolution, declaration of reorganization or voluntary or forced liquidation, appointment of a liquidator, overseer, administrator, intervenor, bankruptcy auctioneer, bankruptcy arbitrator or other similar official, all without prejudice to the provisions of Law No. 20.720 on Reorganization and Liquidation of Companies and Persons.

22. Assignment

Neither party may transfer any of its rights or obligations established as part of the execution of the service without the consent of the other. For these purposes, transfer shall be understood to mean any assignment, merger, acquisition or other consolidation of said party, including any new entity resulting from a merger, acquisition or other consolidation.

23. Payment of taxes for foreign providers without domicile in Chile with and without double taxation agreements.

The taxes generated by this Contract must be borne, declared and paid by each Party as established by applicable law.

In the event that the law requires the Coordinador to withhold taxes on payments made under this Contract, the Coordinador shall make the withholding and pay it to the corresponding authority. Consequently, payment of the price or remuneration shall be made for the amount equivalent to the value set forth in this Contract, after deducting the respective tax withholding.

The Parties undertake to make their best efforts to ensure the correct application of taxes, non-taxable events, exemptions or tax reductions established by domestic law or any applicable international double taxation avoidance agreements to payments made under this Contract.

For these purposes, the Provider undertakes to provide the Coordinador with the information necessary to accredit the applicability of the exemption, non-taxable event or respective reduction and/or for the application of the provisions of an international double taxation avoidance agreement.

In particular, when applicable, the Provider shall provide the Coordinador with at least [30] days' notice prior to the date of remittance or corresponding payment (a) a certificate of residence issued by the competent authority of the jurisdiction in which they reside and (b) a sworn declaration stating that they do not have a permanent establishment or fixed base in Chile to which such income or amounts must be attributed and are, when

required by the agreement, the effective beneficiary of such income or amounts or have qualified resident status. The foregoing shall be in accordance with Article 74 No. 4 of Decree Law No. 824 on Income Tax and Resolutions No. 48 of 2015 and No. 1 of 2016 of the Internal Revenue Service or any legally succeeding provisions and regulations.

The total or partial non-compliance with the obligations established in this Paragraph 4 will render inapplicable the increase obligation established in the preceding Paragraph 2 and will entitle the Coordinador not to apply the exemptions or provisions of the international double taxation avoidance agreement and/or to withhold future payments or obtain reimbursement of the amounts corresponding to taxes that should have been paid to the respective authority, including any applicable adjustments, interest and fines.

24. Dispute Resolution

Any difficulty or dispute that arises between the Parties regarding the application, interpretation, duration, validity or execution of this Contract or any other reason shall be submitted to Mediation in accordance with the Procedural Mediation Regulations of the Santiago A.G. Arbitration and Mediation Center in force at the time of request. In the event that Mediation is unsuccessful, the difficulty or dispute shall be resolved through Arbitration in accordance with the Procedural Arbitration Regulations of the same center in force at the time of the arbitration request.

In this act, the Parties grant an irrevocable special power to the Santiago Chamber of Commerce A.G., so that upon written request from either Party, it may appoint an arbitrator as to procedure and a judge as to judgment from among the members of the arbitral body of the Santiago Arbitration and Mediation Center. Within six days following appointment, either Party may request disqualification or challenge without stating a cause of the selected arbitrator, a right that may be exercised only twice. In case a disqualification is promoted, the Santiago Chamber of Commerce A.G. will again appoint an arbitrator in accordance with the provisions set forth in the preceding paragraph.

Once the request for arbitration has been notified to the Respondent, both Parties shall have a period of six days to exclude, without stating any reason, up to 6 arbitrators in writing. In the event that the parties exercise this right, the Santiago Chamber of Commerce A.G. shall not appoint any of the arbitrators excluded by the parties.

No appeal shall lie against the arbitrator's decisions. The arbitrator is specifically empowered to resolve any matter related to his/her competence and/or jurisdiction.

The arbitration shall take place in the city of Santiago, Chilean law shall apply and the official language shall be Spanish; however, the Parties may submit documents in English without the need for translation and witnesses may give their testimony in their native language, with simultaneous interpretation if necessary.
