REPUBLIC OF COLOMBIA

MINISTRY OF MINES AND ENERGY

MINING AND ENERGY PLANNING UNIT, UPME

SPECIFIC TERMS AND CONDITIONS OF THE

LONG-TERM POWER PURCHASE AUCTION

CLPE AUCTION No. 02 - 2019

Bogotá D. C., August seven (7), 2019
SPECIFIC TERMS AND CONDITIONS
LONG-TERM POWER PURCHASE AUCTION
CLPE AUCTION No. 02-2019

TABLE OF CONTENTS

1 INTRODUCTION ........................................................................................................... 5
2 INTERPRETATION OF THE SPECIFIC TERMS AND CONDITIONS
   OF AUCTION No. 02-2019 .......................................................................................... 5
   2.1 Terms and Expressions ......................................................................................... 5
   2.2 Interpretation of the BIDDING DOCUMENTS ..................................................... 16
3 OBJECT AND START DATE OF THE LONG-TERM ENERGY
   SUPPLY AGREEMENT .............................................................................................. 16
   3.1 Object of the AUCTION ....................................................................................... 16
   3.2 SELLERS with GENERATION PROJECTS OF NON-CONVENTIONAL RENEWABLE
      RENEWABLE ENERGY SOURCES ....................................................................... 17
4 GENERAL ASPECTS of THE AUCTION .................................................................. 17
   4.1 Basis of the AUCTION ......................................................................................... 20
   4.2 Contractual relationship between AWARDEES executing AGREEMENTS .......... 20
   4.3 Powers and Responsibilities of the UPME .......................................................... 21
   4.4 Participation rights ............................................................................................. 23
   4.5 Designation of the Legal Representative or Proxy by the PARTICIPANT .......... 23
   4.6 Request for CLARIFICATIONS .......................................................................... 24
   4.7 Deadline to Submit Inquiries ............................................................................. 24
   4.8 Procedure for making queries about the BIDDING DOCUMENTS and ANNEXES .. 24
   4.9 ADDENDA .......................................................................................................... 25
   4.10 Language .......................................................................................................... 25
   4.11 Confidentiality and Publication of Information of PARTICIPANTS ................. 26
5 AUCTION SCHEDULE ............................................................................................... 26
6 SUBMISSION OF PROPOSALS ................................................................................. 29
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Registration of PARTICIPANTS before the UPME</td>
<td>29</td>
</tr>
<tr>
<td>6.2</td>
<td>Rights of the LEGAL REPRESENTATIVE or PROXY</td>
<td>29</td>
</tr>
<tr>
<td>6.3</td>
<td>Place of Granting Power-of-Attorney</td>
<td>31</td>
</tr>
<tr>
<td>6.4</td>
<td>AUCTION PARTICIPANTS</td>
<td>31</td>
</tr>
<tr>
<td>6.5</td>
<td>Communication to PARTICIPANTS</td>
<td>32</td>
</tr>
<tr>
<td>6.6</td>
<td>Independence of PARTICIPANTS</td>
<td>32</td>
</tr>
<tr>
<td>6.7</td>
<td>Liability</td>
<td>33</td>
</tr>
<tr>
<td>6.8</td>
<td>Acceptance by PARTICIPANTS</td>
<td>33</td>
</tr>
<tr>
<td>7</td>
<td>PREQUALIFICATION REQUIREMENTS</td>
<td>33</td>
</tr>
<tr>
<td>7.1.1</td>
<td>Delivery and Processing of Information</td>
<td>37</td>
</tr>
<tr>
<td>7.2</td>
<td>Contents of ENVELOPE No. 1 - DISTRIBUTORS</td>
<td>38</td>
</tr>
<tr>
<td>7.2.1</td>
<td>Delivery and Processing of Information</td>
<td>40</td>
</tr>
<tr>
<td>8</td>
<td>BID BOND OF THE OFFER</td>
<td>40</td>
</tr>
<tr>
<td>9</td>
<td>OFFER</td>
<td>43</td>
</tr>
<tr>
<td>9.1</td>
<td>Contents of ENVELOPE No. 2 – ECONOMIC OFFER for GENERATORS</td>
<td>43</td>
</tr>
<tr>
<td>9.2</td>
<td>Contents of ENVELOPE No. 2 – ECONOMIC OFFER for DISTRIBUTORS</td>
<td>44</td>
</tr>
<tr>
<td>10</td>
<td>PAPER DOCUMENTS TO SUBMIT TO THE UPME</td>
<td>44</td>
</tr>
<tr>
<td>11</td>
<td>EFFECTS OF THE SUBMISSION OF OFFERS AND BINDING NATURE OF BIDDING DOCUMENTS</td>
<td>44</td>
</tr>
<tr>
<td>12</td>
<td>EVALUATION OF PROPOSALS AND SELECTION OF Awardees</td>
<td>45</td>
</tr>
<tr>
<td>12.1</td>
<td>Evaluation of PREQUALIFICATION REQUIREMENTS</td>
<td>45</td>
</tr>
<tr>
<td>12.1.1</td>
<td>Verification of ENVELOPE No. 1 of PARTICIPANTS</td>
<td>45</td>
</tr>
<tr>
<td>12.1.2</td>
<td>Request of Correcting PREQUALIFICATION REQUIREMENTS</td>
<td>46</td>
</tr>
<tr>
<td>12.1.3</td>
<td>Rejection of PROPOSALS</td>
<td>47</td>
</tr>
<tr>
<td>12.2</td>
<td>Ceiling price and Target Demand</td>
<td>48</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>12.3 Delivery of ENVELOPE No. 2 of OFFERORS</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>12.4 AUCTION Award</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>12.5 Non-Award</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>12.6 Declaring the Process Void</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>12.7 Award Minutes</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>13 EFFECT OF SELECTION</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>14 GUARANTEES</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>14.1 Startup Guarantee</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>14.2 Bilateral Guarantees contained in the Agreements</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>14.3 Offer Bid Bond</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>15 AUDIT</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>16 INFORMATION TECHNOLOGY PLATFORM</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>17 FORMS FOR CLPE AUCTION No. 02 - 2019 (Annex No. 3)</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>18 LIST OF ANNEXES</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>
SPECIFIC TERMS AND CONDITIONS OF THE
LONG-TERM POWER PURCHASE AUCTION
CLPE AUCTION No. 02-2019

1 INTRODUCTION

Within the framework of Decree 570 of 2018, the Ministry of Mines and Energy (MME) issued RESOLUTION MME 40590 of 2019 defining a procedure that promotes long-term purchase for power generation projects, which is complementary to the existing procedures in the WHOLESALE ENERGY MARKET.

For this purpose, the MME delegated to Unidad de Planeación Minero-Energética (UPME, Mining and Energy Planning Unit) the implementation and administration of the selection procedure of GENERATORS and DISTRIBUTORS that will enter into LONG-TERM ENERGY AGREEMENTS, and ordered the execution of an AUCTION, subsequent to the publication of the respective BIDDING DOCUMENTS in which the specific terms and conditions contained in this document are established.

The purpose of the AUCTION is the assignment of LONG-TERM ENERGY AGREEMENTS between each GENERATOR and DISTRIBUTORS that are AWARDEES.

Additionally, this AUCTION contributes to the consolidation of a complementary, resilient energy mix committed to the reduction of carbon emissions, allowing DISTRIBUTORS of the WHOLESALE ENERGY MARKET to comply with the provisions of Article 296 of Law 1955 of 2019.

2 INTERPRETATION OF THE SPECIFIC TERMS AND CONDITIONS OF AUCTION No. 02-2019

2.1 Terms and Expressions
Unless expressly stated otherwise, the terms in capital letters used herein shall have
the meaning granted to said terms in this section.

For the purposes of these BIDDING DOCUMENTS and the AUCTION, it is established that
the following terms shall have the meanings indicated below. Expressions in singular include,
where appropriate, the plural and vice versa.

"ADMINISTRADOR DEL SISTEMA DE INTERCAMBIOS COMERCIALES" (ASIC,
ADMINISTRATOR OF THE COMMERCIAL EXCHANGE SYSTEM): The entity in
charge of the registration of commercial borders and LONG-TERM ENERGY
AGREEMENTS; of the settlement, invoicing, collection and payment of the value of
acts, AGREEMENTS and energy transactions in the stock exchange by
GENERATORS and DISTRIBUTORS; of the maintenance of information systems and
computer programs required; and of the fulfillment of tasks necessary to operate
properly the Commercial Exchange System (SIC), in accordance with current
regulations. The ASIC service is provided by XM Compañía de Expertos en
Mercados S.A. E.S.P.

"ADDENDUM": All documents issued by the UPME in order to modify the content of
the BIDDING DOCUMENTS, within the period established in the SCHEDULE. The
UPME will indicate which of the AUCTION documents is referred to in the respective
ADDENDUM. Once published, the ADDENDUM will be part of the BIDDING
DOCUMENTS.

“ANNEXES”: Attached documents which make an integral part of these BIDDING
DOCUMENTS.

"APPLICABLE PROVISIONS": These include, but are not limited to, the Colombian
Civil Code, the Colombian Code of Commerce, Laws 142 and 143 of 1994, 1665 of
2013, 1715 and 1844 of 2014, the General Code of Process, the Tax Statute and
environmental standards, especially the Code of Natural Resources, Law 99 of 1993,
Decree 2041 of 2014 and other applicable environmental provisions, decrees 381 of
2012, 1258 of 2013, DUR MME, RESOLUTION MME 40590 OF 2019 and
RESOLUTION MME 40591 OF 2019, the Operating Regulations and other CREG resolutions and the norms that modify, explain or add them.

"EVALUATION COMMITTEE": The group of PEOPLE that the UPME will designate to evaluate, where appropriate, (i) compliance with PREQUALIFICATION REQUIREMENTS and (ii) PROPOSALS made by PARTICIPANTS.

"AUCTION": The procedure defined by the Ministry of Mines and Energy in RESOLUTION MME 40590 OF 2019, which promotes long-term purchase of electric energy in accordance with the provisions of Article 2.2.3.8.7.1 of Decree 1073 of 2015, added by Decree 0570 of 2018. It is a competitive process where BUYERS and SELLERS interact to assign quantities and establish prices, which reflect the costs of the OFFER and the willingness to pay of the demand.

"AUCTION AUDITOR": The individual or legal PERSON with recognized experience in auditing processes who will be responsible for monitoring the implementation and effectiveness of AUCTION plans or procedures and that is done in accordance with the BIDDING DOCUMENTS, RESOLUTION MME 40590 OF 2019 and RESOLUTION MME 40591 OF 2019.

"AUTHORITY:" Any PERSON or entity vested with public power in Colombia, empowered under the APPLICABLE PROVISIONS to issue or interpret general or particular rules or decisions, with mandatory effects for those who are subject to their scope.

"AWARDING": The process carried out in accordance with the provisions of Articles 8 and 24 of RESOLUTION MME 40590 OF 2019, RESOLUTION MME 40591 OF 2019, these BIDDING DOCUMENTS as well as the procedures and methods defined by the Ministry of Mines and Energy for the development of the AUCTION.

"AWARDING DATE": The date on which OFFERORS who comply with the COMPETITIVE CONDITIONS and submit a VALID OFFER become AWARDEES.

"DATE OF CALCULATION BASIS": December 31, 2018 is used for the calculation of the average daily commercial demand for each TRADE AGENT.
"BID BOND": The letter of indemnity, bank guarantee, or standby letter of credit issued by the PARTICIPANT to guarantee the seriousness of the PROPOSAL. The BID BOND must: (i) be issued by a FIRST-CLASS FINANCIAL INSTITUTION; (ii) remain in force for a minimum period of six (6) months following the submission of ENVELOPE No. 2, and (iii) meet the conditions referred to in section 8 of these BIDDING DOCUMENTS and be issued in a format substantially equal to Forms No. 3A, 3B, 3C, 3D and 3E.

"BIDDING DATE": The date on which OFFERORS must submit a VALID OFFER before the UPME.

"BUSINESS FUND": An autonomous patrimony constituted by the SUPERINTENDENCE OF PUBLIC UTILITIES, whose origin was Article 132 of Law 812 of 2003, ratified by Laws 1151 of 2007, 1450 of 2011 and 1753 of 2015, and whose purpose is to guarantee the viability and continuity in the supply of public services, as well as to assure that this supply is efficient, through the support required by companies taken over by the Government in accordance with the provisions of Article 2.2.9.4.2 of Decree 1082 of 2016.

"BUYERS": WHOLESALE ENERGY MARKET DISTRIBUTORS who have met the PREQUALIFICATION REQUIREMENTS to participate in the LONG-TERM ENERGY PURCHASE AUCTION.

"CLARIFICATION": All notifications issued in writing by the UPME, with the purpose of explaining, interpreting or answering queries related to this document or any of its ANNEXES. In the respective CLARIFICATION, the UPME will indicate which of the AUCTION documents is referred to. The CLARIFICATIONS do not imply modification of the BIDDING DOCUMENTS.

"COMPETITIVE CONDITIONS": The minimum conditions to guarantee an efficient interaction process between the QUALIFIED PARTICIPANTS as determined by the Energy and Gas Regulatory Commission (CREG) through an administrative act, in accordance with the provisions of Article 19 of RESOLUTION MME 40590 OF 2019. Compliance with these conditions will be verified by the UPME and by the AUCTION AUDITOR during the AWARDING process.
"CONTRACTOR": The PARTICIPANT who becomes an AWARDEE and signs the AGREEMENT object of this AUCTION.

"CONTROL": a) The power or ability of a PERSON or group of PEOPLE to impose, directly or indirectly, decisions at the general meeting of shareholders, partners or equivalent bodies, or to appoint or remove a majority of the members of the board of directors, advisors, directors or their equivalents of a legal PERSON; b) To hold the ownership of rights that allow, directly or indirectly, to exercise the vote with respect to more than (50%) plus a share, quotas or parts into which the corporate capital of a PERSON is divided; and c) The power or ability of a PERSON or group of PEOPLE to direct, directly or indirectly, the administration, strategy or main policies of a legal PERSON, whether by means of participation in the shareholder equity, by CONTRACT or in any other way.


"DATE OF BEGINNING OF COMMERCIAL OPERATION": The date from which a generation project is declared in commercial operation within the WHOLESALE ENERGY MARKET, therefore, it complies with all current regulations on the matter.

"BIDDING DOCUMENTS": This document which contains specific terms and conditions, together with its ANNEXES, CLARIFICATIONS AND ADDENDA, that govern the AUCTION. There are terms, conditions and procedures stated in these documents which must be followed by PARTICIPANTS who apply, pre-qualify, qualify and formulate their OFFERS to participate in the selection process of AWARDEES that will enter into the LONG-TERM ENERGY AGREEMENTS.

"DRAFT AGREEMENT": A standardized AGREEMENT defined by the Ministry of Mines and Energy that is an integral part of the BIDDING DOCUMENTS and that will contain at least the object, the obligations of the parties, price, period of supply and validity, form of invoicing, guarantees of the parties, grounds for termination, conditions for the cession of the AGREEMENT, conditions for its modification, which in no case may be established to the detriment of users and such other aspects as the
Ministry of Mines and Energy deems appropriate to ensure compliance with the obligations of AWARDEES pursuant to the provisions of RESOLUTION MME 40590 OF 2019 and RESOLUTION MME 40591 OF 2019.

"DUR MME": The sole regulatory decree for the mining and energy sector contained in Decree 1073 of 2015 and its amendments.

"ECONOMIC PROPOSAL": The PROPOSAL included in ENVELOPE No. 2 of PARTICIPANTS and which contains their OFFER.

"ENERGY PACKAGES": The standard unit of energy to be bid by AUCTION SELLERS for an hour of the day. One ENERGY PACKAGE equals zero point five megawatt hour (0.5 MWh). SELLERS must make their OFFERS expressed in positive whole numbers of ENERGY PACKAGES.

"ENVELOPE No. 1 GENERATORS": The envelope that contains all documents specified in Section 7.1 of the BIDDING DOCUMENTS to be submitted by a GENERATOR and that is part of the PROPOSAL.

"ENVELOPE No. 1 DISTRIBUTORS": The envelope that contains all documents specified in Section 7.2 of the BIDDING DOCUMENTS to be submitted by a DISTRIBUTOR and that is part of the PROPOSAL.

"ENVELOPE No. 2 GENERATORS": The envelope that contains all documents specified in Section 9.1 of the BIDDING DOCUMENTS to be submitted by GENERATORS and that is part of the PROPOSAL.

"ENVELOPE No. 2 DISTRIBUTORS": The envelope that contains all documents specified in Section 9.2 of the BIDDING DOCUMENTS to be submitted by DISTRIBUTORS and that is part of the PROPOSAL.

"FIDUCIARY": BBVA ASSET MANAGEMENT S.A., which acts as a spokesperson
and administrator of the AUTONOMOUS PATRIMONY OF TRUST - BUSINESS FUND with NIT 830.052.998-9, a financial entity legitimzed to issue guarantee certificates in favor of third parties, in order to grant the PERFORMANCE BOND or PAYMENT GUARANTEE and the BID BOND to utility service companies taken-over by the SUPERINTENDENCE OF PUBLIC UTILITIES and that participate in CLPE AUCTION No. 02-2019.

"FINANCIAL SUPERINTENDENCE OF COLOMBIA": A technical body attached to the Ministry of Finance and Public Credit that is responsible for the supervision of financial, insurance and social security activities.

"FIRST-CLASS FINANCIAL INSTITUTION": Is a) a financial institution domiciled in Colombia, which has a long-term debt credit risk rating of "investment grade", by a risk rating agency supervised by the FINANCIAL SUPERINTENDENCE OF COLOMBIA, or b) a foreign financial entity included in the list of foreign financial entities in Appendix No. 1 of Regulation Letter DCIN-83 of 2003 of the Colombian Bank of the Republic or included in the regulations that amend, add to or substitute it and that accredits a long-term debt rating of at least "investment grade" issued by an internationally recognized risk rating agency in accordance with what is established in the Applicable Regulations.

"GENERATOR AGENT" o "GENERATOR": The company registered before the ASIC that carries out energy generation activities.

"LEGAL REPRESENTATIVE": The PERSON who represents a PARTICIPANT in accordance with their articles of association or deed of incorporation document and their amendments, as evidenced by the respective certificate of existence and legal representation issued by the chamber of commerce of the place of registered office or document that serves as the PARTICIPANT's representative according to the nature of the PARTICIPANT.

"LONG-TERM ENERGY AGREEMENT" or "AGREEMENT": An energy supply AGREEMENT entered into between DISTRIBUTORS and GENERATORS, in accordance with the conditions established in the DRAFT AGREEMENT defined by the Ministry of Mines and Energy in compliance with Article 13 of RESOLUTION
MME 40590 OF 2019 and of these BIDDING DOCUMENTS.

"MME": Ministry of Mines and Energy.

"OFFER": The ECONOMIC PROPOSAL submitted to the UPME by QUALIFIED PARTICIPANTS of the AUCTION.

"OFFERORS": QUALIFIED PARTICIPANTS that make a VALID OFFER.

"PARTICIPANTS": Agents of the WHOLESALE ENERGY MARKET and/or individual or legal entities who own or commercially represent PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES, who submit PREQUALIFICATION documents in accordance with Articles 30 and 31 of RESOLUTION MME 40590 OF 2019 and these BIDDING DOCUMENTS, and who are accredited as possible BUYERS or SELLERS of the AUCTION.

"PAYMENT GUARANTEE": A document issued by a FIRST-CLASS FINANCIAL INSTITUTION that supports BUYER's fulfillment of payment obligations undertaken in the AGREEMENT, which each AWARDED DISTRIBUTOR must deliver to each AWARDED GENERATOR, in accordance with the conditions established in the DRAFT AGREEMENT.

"PERFORMANCE BOND": A document issued by a FIRST CLASS FINANCIAL INSTITUTION that supports SELLER's fulfillment of payment obligations undertaken in the AGREEMENT, which each AWARDED GENERATOR must deliver to each AWARDED DISTRIBUTOR, in accordance with the conditions established in the DRAFT AGREEMENT.

"PERSON": Any individual or legal entity, either Colombian or foreign, who can perform legal acts and assume obligations in Colombia.

"PREQUALIFICATION": The requirement verification process required by the UPME to PARTICIPANTS in order to determine their participation in the AUCTION. Among them there are technical, legal and financial requirements defined in RESOLUTION...
MME 40590 OF 2019 and these BIDDING DOCUMENTS.

"PREQUALIFICATION REQUIREMENTS": Requirements to be met by PARTICIPATING GENERATORS and DISTRIBUTORS, defined in Articles 30 and 31 of RESOLUTION MME 40590 OF 2019 and these BIDDING DOCUMENTS, which the UPME will verify with the documents submitted in ENVELOPE No. 1 and documents each PARTICIPANT will submit at the request of the UPME in case of remediable defects. It includes technical, legal and financial requirements.

"PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES": Plants for the generation of electrical energy from Non-Conventional Renewable Energy Sources defined in section 17 of Article 5 of Law 1715 of 2014, whose DATE OF BEGINNING OF COMMERCIAL OPERATION is after the AWARDING DATE of the AUCTION and before December 2023, and which have a total effective capacity greater than or equal to 5 MW, as long as they invoke, for the duration of the LONG-TERM ENERGY AGREEMENT, the central dispatch in accordance with the regulations in force.

"PROPOSAL": Documents submitted by a PARTICIPANT which are included in ENVELOPE No. 1 and ENVELOPE No. 2.

"QUALIFIED GENERATORS": The GENERATOR that meets the PREQUALIFICATION REQUIREMENTS, including the submission and approval of the BID BOND.

"QUALIFIED PARTICIPANTS": GENERATORS and DISTRIBUTORS that comply with the PREQUALIFICATION REQUIREMENTS established in RESOLUTION MME 40590 OF 2019 and in these BIDDING DOCUMENTS; including the delivery of the sworn statement of economic connection according to the conditions established by the CREG; and the approval of the BID BOND by the UPME.

"QUALIFIED DISTRIBUTORS": The DISTRIBUTOR that meets the PREQUALIFICATION REQUIREMENTS, including the submission and approval of the BID BOND.
"QUERY": All notifications issued in writing by the Interested Parties and made to the UPME in order to request clarification, interpretations or to ask questions related to the conditions established in the BIDDING DOCUMENTS, including their ANNEXES and which are received at SUBASTACLPE@UPME.gov.co or physically at the single window of the UPME.

"PROXY": The individual or legal entity who has received power from the PARTICIPANT to represent them at the AUCTION. The PROXY may be domiciled in Colombia or abroad. Joint PROXIES will be accepted.

"RESOLUTION MME 40590 OF 2019": The Resolution issued by the MME that gathers general principles and procedures to define and implement a procedure that promotes long-term contracting for electrical energy generation projects complementary to the existing procedures in the WHOLESALE ENERGY MARKET.

"RESOLUTION MME 40591 OF 2019": The Resolution issued by the MME by which the second LONG-TERM ENERGY AGREEMENT AUCTION is called and the parameters of its application are defined.

"S CURVE" Graphic representation of the accumulated progress of the generation project as a function of time that allows to compare the real progress with the planned progress, with the purpose of establishing the deviations of the generation project and taking timely corrective actions. It shows the estimated percentage of project progress during the time of execution in the y-axis and the elapsed time in the x-axis. It contains the DATE OF BEGINNING OF COMMERCIAL OPERATION, which includes the connection of the generation project to the national or regional transmission network and which must be submitted by the GENERATORS as a requirement to participate in the AUCTION.

"S CURVE AUDITOR" The individual or legal entity with recognized experience in auditing processes who will be responsible for monitoring the construction and startup of PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES in accordance with RESOLUTION MME 40590 OF 2019 and RESOLUTION MME 40591 OF 2019.
"SELLERS": GENERATORS OF THE WHOLESALE ENERGY MARKET and/or individual or legal entities, who own or commercially represent PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES, who have met the PREQUALIFICATION REQUIREMENTS to participate in the AUCTION.

"SIGNATURE DATE": The date on which BUYERS and SELLERS who become AWARDEES enter into the AGREEMENT.

"SUPPLY START DATE": January 1, 2022.

"SSPD": SUPERINTENDENCIA DE SERVICIOS PÚBLICOS Y DOMICILIARIOS (SUPERINTENDENCE OF PUBLIC UTILITIES), the Superintendence in charge of surveillance, inspection and control of the provision of public utilities, protection of rights and promotion of the duties of users and providers.

"STARTUP DATE": Date of connection to the National Interconnected System foreseen for a generation plant according to the date indicated in the connection concept issued by the UPME.

"STARTUP GUARANTEE": The letter of indemnity, bank guarantee or standby letter of credit issued by a FIRST-CLASS FINANCIAL INSTITUTION that covers the obligation of the SELLER to build and timely put into commercial operation the generation project awarded in the AUCTION, which will be received, approved and administered by XM, in accordance with the provisions of the CREG.

"AWARDEES": PARTICIPANTS selected by the UPME for the execution of the LONG-TERM ENERGY AGREEMENT, in accordance with the BIDDING DOCUMENTS.

"AWARDED GENERATOR": The GENERATOR selected by the UPME for the execution of the LONG-TERM ENERGY AGREEMENT, in accordance with the BIDDING DOCUMENTS and as a result of the AUCTION.
“AWARDED DISTRIBUTOR”: The DISTRIBUTOR selected by the UPME for the execution of the LONG-TERM ENERGY AGREEMENT, in accordance with the BIDDING DOCUMENTS and as a result of the AUCTION.

"INFORMATION TECHNOLOGY PLATFORM": Software designed through integrated modules whose purpose is to allow the UPME to administer and manage the AUCTION, serving as official means to carry out PREQUALIFICATION processes (ENVELOPE NO. 1 and BID BOND), submission of OFFERS (ENVELOPE No. 2) and awarding of the AUCTION, as well as the exchange of notifications between the UPME and PARTICIPANTS, in compliance with paragraph "c" of section 1 of the Appendix of RESOLUTION MME 40590 OF 2019.

"SCHEDULE": Deadlines established for compliance with the milestones or commitments of the AUCTION process which are compulsory for the PARTICIPANTS and the entities involved.

"TRADE AGENT" or "DISTRIBUTOR": The company registered before the ADMINISTRATOR OF THE COMMERCIAL EXCHANGE SYSTEM (ASIC) that carries out energy trading activities.

"UPME": Unidad de Planeación Minero-Energética (Mining and Energy Planning Unit), dealt with in Law 143 of 1994, attached to the MME.

"VALID OFFER": The OFFER that meets the requirements established in RESOLUTION MME 40590 OF 2019 and in these BIDDING DOCUMENTS and that can participate in the AWARDING.

Hereunder, all references in this document to "Appendix", "Annex", "Chapter", "Form", "Format", "Paragraph", "Section", "Sub-section" and "Point" should be understood as references to appendices, addenda, chapters, forms, paragraphs, sections, sub-sections and points of these BIDDING DOCUMENTS, respectively, unless otherwise expressly stated.
Expressions that are not expressly defined in the BIDDING DOCUMENTS correspond to the definitions that they have in the APPLICABLE PROVISIONS. Technical or scientific words not expressly defined in these BIDDING DOCUMENTS or in the APPLICABLE PROVISIONS shall have the meanings they are granted according to the respective technique or science, and other words shall be understood in their natural and obvious sense, according to the general use thereof.

### 2.2 Interpretation of the BIDDING DOCUMENTS

Except Appendix No. 4: "DRAFT OF THE AGREEMENT" whose rules of interpretation are stated thereof, these BIDDING DOCUMENTS shall be construed in accordance with the APPLICABLE PROVISIONS.

In case of conflicts or discrepancies between the provisions contained in these BIDDING DOCUMENTS, including their ADDENDA and the provisions contained in any of their ANNEXES, the provisions of the BIDDING DOCUMENTS shall prevail.

In case of conflicts or discrepancies between the provisions of the BIDDING DOCUMENTS and the APPLICABLE PROVISIONS, the latter shall prevail and among them, the regulations that have greater regulation hierarchy.

### 3 OBJECT AND SUPPLY START DATE OF THE LONG-TERM ENERGY AGREEMENT

#### 3.1 Object of the AUCTION

The UPME invites GENERATORS and DISTRIBUTORS to voluntarily participate in an AUCTION governed by the APPLICABLE PROVISIONS and these BIDDING DOCUMENTS, which aims at the execution of a LONG-TERM ENERGY AGREEMENT between each AWARDED GENERATOR and each AWARDED DISTRIBUTOR. The AGREEMENTS shall be entered into strictly in accordance with the text found in Annex No. 4: "DRAFT OF THE AGREEMENT".

The period of supply for the AGREEMENTS to be awarded at the AUCTION shall be fifteen (15) years from January first (1), 2022.
3.2 SELLERS with PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES

In this AUCTION, only PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES can participate whose DATE OF BEGINNING OF COMMERCIAL OPERATION is after the AWARDING DATE of the AUCTION.

To participate at the AUCTION, the STARTUP DATE must be no later than December thirty-first (31), 2023 for the concept of connection issued by the UPME for PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES.

SELLERS that have PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES shall assume construction obligations and BEGINNING OF COMMERCIAL OPERATION set forth in Article 36 of RESOLUTION MME 40590 OF 2019, RESOLUTION MME 40591 OF 2019 and in the AGREEMENT. Compliance with these obligations will be verified by the S CURVE AUDITOR and guaranteed with the STARTUP GUARANTEE.

The provisions of this section apply without prejudice to the performance of obligations by the SELLER under each LONG-TERM ENERGY AGREEMENT that the SELLER enters into with the BUYER, and other obligations under RESOLUTION MME 40590 OF 2019, RESOLUTION MME 40591 OF 2019 and the grounds for performance of the STARTUP GUARANTEE and the PERFORMANCE BOND granted by the SELLER.

4 GENERAL ASPECTS OF THE AUCTION

Those interested in participating in the AUCTION and being qualified to submit a purchase or sale OFFER in the awarding process must prove before the UPME that they comply with the PREQUALIFICATION REQUIREMENTS.

Thus, the UPME will make available to the PARTICIPANTS an INFORMATION TECHNOLOGY PLATFORM on which the PROPOSAL will be submitted. This tool will be authorized per the terms established in the SCHEDULE, and it will allow the administration and management of the AUCTION, and it will be the only official means
to carry out the processes of submission of ENVELOPE No. 1, submission of the BID BOND, ENVELOPE No. 2, as well as the exchange of all notifications between the UPME and the PARTICIPANTS, once the AUCTION process has begun.

The UPME will verify the compliance with PREQUALIFICATION REQUIREMENTS and will notify each one of the PARTICIPANTS if they meet them, or if the UPME finds faults, it will notify the respective PARTICIPANT about these faults and will grant them a term to correct said faults in accordance with the provisions of the SCHEDULE. In case of failure to correct the faults in a timely manner, the UPME will notify the PARTICIPANT of the failure to meet the PREQUALIFICATION REQUIREMENTS, as the case may be.

DISTRIBUTORS that meet the PREQUALIFICATION REQUIREMENTS, including the submission and approval of the BID BOND, will be considered QUALIFIED DISTRIBUTORS and may submit one or more purchase OFFERS at the AUCTION. Failure to submit OFFERS shall not be cause for the execution of the BID BOND of the OFFER or OFFERS to the respective DISTRIBUTOR.

GENERATORS must submit the sworn statement signed by the LEGAL REPRESENTATIVE of the PARTICIPANT with exact, truthful, timely and verifiable information on existing economic links with other SELLERS that could participate in the AUCTION, as well as any business control relations, to have all relevant information that allow the calculation of the COMPETITIVE CONDITIONS indicator.

PARTICIPATING GENERATORS that meet the PREQUALIFICATION REQUIREMENTS, including the submission and approval of the BID BOND, will be considered QUALIFIED GENERATORS and may submit one or more sale OFFERS at the AUCTION. Failure to submit OFFERS shall not be cause for the execution of the BID BOND of the OFFER or OFFERS to the respective GENERATOR.

The EVALUATION COMMITTEE will review the BID BONDS\(^1\) submitted in a timely manner, and if necessary, will ask the respective PARTICIPANT for any clarifications or corrections, for which the COMMITTEE will grant a term of up to three (3) business days. PARTICIPANTS that do not correct the BID BOND within the term will be disqualified and will not be able to submit ENVELOPE No. 2.

\(^1\) Forms 3A, 3B, 3C, 3D and 3E.
QUALIFIED DISTRIBUTORS and QUALIFIED GENERATORS may submit purchase or sale OFFERS as the case may be, which will be uploaded to the INFORMATION TECHNOLOGY PLATFORM according to the date defined in the SCHEDULE. Once the ECONOMIC OFFERS of ENVELOPE No. 2 have been entered, the UPME will continue with the AWARDING process described in these BIDDING DOCUMENTS.

In general, all the information submitted in compliance with Articles 30 and 31 of RESOLUTION MME 40590 OF 2019, sections 7.1 and 7.2 of these BIDDING DOCUMENTS may be corrected within the periods established by UPME for such purpose. In case the requested documents are not submitted in a timely manner or if the fault was not corrected in the terms requested by the UPME, the PARTICIPANT will be notified through the INFORMATION TECHNOLOGY PLATFORM that they do not comply with the PREQUALIFICATION REQUIREMENTS and, consequently, that they will not be qualified to submit ENVELOPE No. 2.

The AUCTION will be a double-headed sealed-envelope, of voluntary participation for GENERATORS and DISTRIBUTORS. Each AWARDED GENERATOR shall enter into an AGREEMENT with each AWARDED DISTRIBUTOR, which they shall execute at their own risk. Each of the AGREEMENTS must be registered before the ASIC complying with the requirements established in the APPLICABLE PROVISIONS. The maximum date of registration of the AGREEMENTS shall be that established in clause "VIII: AGREEMENT REGISTRATION, Section 8.01 Agreement Registration" of the DRAFT AGREEMENT.

The execution of the AUCTION, the selection of AWARDEES and the execution of AGREEMENTS between them do not imply any type of assumption of risk on the part of the UPME, the MME, or any other state agency.

The AUCTION will be carried out in the terms foreseen in the SCHEDULE contained in section 5 of the BIDDING DOCUMENTS and will have an AUCTION AUDITOR paid by the UPME.

Costs and expenses incurred by PARTICIPANTS for the analysis of BIDDING DOCUMENTS, submission of notes, preparation and submission of OFFERS, constitution of process guarantees, attendance to meetings and any other cost or expense related to the participation in the AUCTION or the execution of AGREEMENTS...
4.1 Basis of the AUCTION

This AUCTION is governed by the APPLICABLE PROVISIONS and these BIDDING DOCUMENTS, and it is based on Laws 142 and 143 of 1994, 1665 of 2013, 1715 of 2014 and 1844 of 2017, the DUR MME, Decree 570 of 2018, RESOLUTION MME 40590 OF 2019 and RESOLUTION MME 40591 OF 2019 and the resolutions of the CREG, especially operating regulations and the COMPETITIVE CONDITIONS together with their amendments and other applicable rules.

Exercising the role of attorney of the competition, the Superintendence of Industry and Commerce pronounced on the content of RESOLUTION MME 40590 OF 2019 and RESOLUTION MME 40591 OF 2019, the analysis of its observations is incorporated in the legal basis of such administrative acts.

Participation in the AUCTION is voluntary and therefore the execution of AGREEMENTS is the result of concurrence of wills resulting from the purchase and sale OFFERS of AWARDEES, in accordance with the rules of the Civil and Commercial Codes and with the provisions of the CREG on bilateral energy supply AGREEMENTS.

4.2 Contractual relationship between AWARDEES who enter into AGREEMENTS

Each AWARDED GENERATOR will enter into LONG-TERM ENERGY AGREEMENTS with each AWARDED DISTRIBUTOR. As a consequence of the execution of each bilateral AGREEMENT between BUYERS and SELLERS, obligations will arise between the parties.

Subject to the provisions of these BIDDING DOCUMENTS regarding the validity of the OFFERS, the COMPETITIVE CONDITIONS and the AWARDING rules, the submission of purchase OFFERS implies that the DISTRIBUTOR shall indicate the price at which they are willing to buy from AWARDED GENERATORS who have submitted sale OFFERS.

DISTRIBUTORS who become AWARDEES shall buy prorate quantities to those offered by each AWARDED GENERATOR, up to the quantities indicated in their
purchase OFFER, without being subject to minimum quantities. DISTRIBUTORS who are not AWARDEES shall have no obligation to buy.

Subject to the provisions of these BIDDING DOCUMENTS regarding the validity of OFFERS, the COMPETITIVE CONDITIONS and the rules of AWARDING, the submission of OFFERS shall comply with the conditions set forth in RESOLUTION MME 40590 OF 2019, RESOLUTION MME 40591 OF 2019, the DRAFT AGREEMENT, and other documents issued by the Ministry of Mines and Energy or other competent authorities.

It is considered that PARTICIPANTS and in general any PERSON who directly or indirectly participates in the AUCTION knows the legal basis of this section and in general the APPLICABLE PROVISIONS.

The mere submission of a PROPOSAL by a PARTICIPANT implies their full and unconditional acceptance of the provisions of these BIDDING DOCUMENTS, without any limitation or restriction.

Each AGREEMENT will only bind its parties, that is to say, the respective SELLER and BUYER. The AGREEMENT will be governed by the rules of private law and for its execution it must be registered before the ASIC in accordance with the APPLICABLE PROVISIONS.

AWARDEES shall not have any contractual relationship with the MME, the UPME or any entity of the Colombian State. Under no circumstances will the MME, the UPME or any entity of the Colombian State assume obligations or responsibilities with the PARTICIPANTS in the AUCTION.

4.3 Powers and Responsibilities of the UPME

Without prejudice to other powers assigned in the APPLICABLE PROVISIONS, in relation to this AUCTION, the UPME is empowered to do the following:

a) Prepare and modify the BIDDING DOCUMENTS;

b) Hire the AUCTION AUDITOR;

c) Receive and keep PARTICIPANTS' envelopes No. 1 and No. 2, as well as any
other information that clarifies or adds to them;

d) Request PARTICIPANTS information the UPME deems convenient to explain, complement or correct the documentation they have submitted;

e) Send the SSPD the necessary information so that it can carry out risk assessment and monitoring of the agents that participated in the AUCTION, as well as for other purposes of its responsibility;

f) Prepare the regulations and/or manuals the UPME considers necessary to carry out the entrusted activities;

g) Establish, operate and maintain the INFORMATION TECHNOLOGY PLATFORM of the AUCTION;

h) Offer and give agents training and assistance deemed necessary in the management and operation of the INFORMATION TECHNOLOGY PLATFORM of the AUCTION;

i) Establish formal channels of communication between the PARTICIPANTS and the UPME during the AUCTION;

j) Receive, administer, request modifications, approve, collect or return, as the case may be, BID BONDS for OFFERS submitted by PARTICIPANTS;

k) Keep historical records in electronic media of all the operations carried out in development of the AUCTION in accordance with the APPLICABLE PROVISIONS regarding the conservation of documents;

l) Reject OFFERS in the cases indicated in the APPLICABLE PROVISIONS and in these BIDDING DOCUMENTS;

m) Report irregular actions that may happen in the AUCTION process to the competent authorities, without prejudice to the functions attributed to the AUCTION AUDITOR;

n) Suspend the AUCTION when the UPME deems it convenient or when it is required by the AUCTION AUDITOR, in the terms of paragraph h, section 1 of the Annex of RESOLUTION MME 40590 OF 2019.

o) Disclose the ceiling price or maximun Limit defined by the CREG after receiving the OFFERS from the QUALIFIED PARTICIPANTS and before beginning the AWARDING process of the AUCTION;
p) Verify that the COMPETITIVE CONDITIONS are met during the AWARDING process;

q) Declare the NON-AWARDING of the AUCTION when any of the causes indicated in these BIDDING DOCUMENTS occurs;

r) Declare the closing of the AUCTION and inform AWARDEES and the general public of the results;

s) Publish on its website the PARTICIPANTS, quantities and prices that have been awarded as a result of the AUCTION, in the terms of paragraph k, section 1 of the Annex of RESOLUTION MME 40590 OF 2019.

t) Submit a report to the MME, within ten (10) days following the end of the AUCTION, which evaluates, without ambiguity, the AWARDING of the AUCTION and the results obtained.

u) Disclose all non-confidential information that has been recorded by PARTICIPANTS within the time limits established in RESOLUTION MME 40590 OF 2019 and in the AUCTION SCHEDULE;

v) Verify that the AWARDEES of the AUCTION enter into the AGREEMENTS in accordance with the DRAFT AGREEMENT;

w) Other responsibilities assigned by the APPLICABLE PROVISIONS.

In accordance with Article 13 of RESOLUTION MME 40590 OF 2019, it is the power of the Ministry of Mines and Energy to define the DRAFT AGREEMENT in which the obligations resulting from the AWARDING process will be become effective.

4.4 Participation Rights

The BIDDING DOCUMENTS will be available to the interested parties on the UPME website at no cost; therefore, PARTICIPANTS do not have to pay participation rights to submit an OFFER at the AUCTION.

4.5 Designation of the Legal Representative or Proxy by the PARTICIPANT

The interested parties intending to participate in the AUCTION must designate one (1) LEGAL REPRESENTATIVE or PROXY, and provide an address in the Republic of
Colombia, a telephone number and an e-mail address.

The LEGAL REPRESENTATIVE or PROXY shall be fully authorized by the PARTICIPANT, without any restriction, to receive notifications and notices in their name and representation, and to make queries, comments or requests for modification of the BIDDING DOCUMENTS in the name of the PARTICIPANT.

PARTICIPANTS may substitute through the INFORMATION TECHNOLOGY PLATFORM their LEGAL REPRESENTATIVE or PROXY, and change their address, telephone numbers or e-mail address, up to three (3) business days prior to the date established in the AUCTION SCHEDULE for the delivery of ENVELOPE No. 2, upon request by physical means to the UPME. Once the request is received, the UPME will enable the INFORMATION TECHNOLOGY PLATFORM for the PARTICIPANT to proceed with the respective update within 24 hours.

4.6 Request for CLARIFICATION of the BIDDING DOCUMENTS and their ANNEXES

All pages and lines of the BIDDING DOCUMENTS and their ANNEXES are duly numbered so that queries, comments and requests for modification make clear and unequivocal references on the subjects to which they refer. Consultations, comments or requests for modification that do not expressly mention the pages and lines, or in which it cannot be deduced to which part of the BIDDING DOCUMENTS they refer will be returned for their corresponding review and clarification.

All queries, comments and requests for modification of the BIDDING DOCUMENTS will be studied and answered by the UPME, which will provide the answers it deems appropriate. Each answer will include the respective consultation or comment of the PARTICIPANT that made them. Said answers will be sent to the e-mail address of the person who made them and will additionally be available on the UPME website.

4.7 Deadline for submitting queries about the BIDDING DOCUMENTS and ANNEXES

Queries, comments or requests for modification may be made on the BIDDING DOCUMENTS within the dates indicated in the SCHEDULE.
4.8 Procedure for making queries about the BIDDING DOCUMENTS and ANNEXES

Queries and other correspondence about the content of the BIDDING DOCUMENTS and their ANNEXES shall be submitted in writing and in Spanish, stating that it is about SUBASTA CLPE UPME No. 02 - 2019 and addressed like this:

Director General de la UPME
subastaCLPE@upme.gov.co
Av. Calle 26 # 69 D-91, Centro Empresarial Arrecife Torre 1, Piso 9,
Bogotá, D.C., Colombia
Código Postal 110931

Queries may be made using this email: subastaCLPE@upme.gov.co, or physically filed at the single window of the UPME, directly at the headquarters of the UPME, during its office hours. Physical queries should also be sent by e-mail, in digital and editable form.

It will be understood that the UPME has received them when a copy of the communication to which the UPME has assigned a filing number: (i) is received through the UPME filing window, or (ii) is received via e-mail. Notifications received after the official UPME closing time will be deemed to be received on the following business day.

Answers to queries will be communicated through the UPME website or by letter or e-mail.

After the submission of ENVELOPE No. 1 by PARTICIPANTS, the exchange of communication will take place on the INFORMATION TECHNOLOGY PLATFORM.

4.9 ADDENDA:

If the UPME considers it necessary to modify the BIDDING DOCUMENTS, it will issue an ADDENDUM, which will be communicated on the website, considering the maximum term established for this purpose in the SCHEDULE.

ADDENDA will constitute an integral part of these BIDDING DOCUMENTS and shall be binding for all PARTICIPANTS.
It is the sole responsibility of PARTICIPANTS to check the website that the UPME has set up for the publication of the information referred to herein.

All notifications addressed to PARTICIPANTS through the UPME website will be understood as having been notified to the LEGAL REPRESENTATIVE or PROXY on the date of their publication on the official page of the Unit.

4.10 Language

All queries, questions, answers, actions and procedures related to the AUCTION, as well as all documents submitted with the PROPOSAL, must be submitted in Spanish or accompanied by official translations into Spanish made by an authorized certified translator in accordance with the APPLICABLE PROVISIONS. In the event that any discrepancy is detected between the texts in different languages of any document, the Spanish text shall prevail.

4.11 Confidentiality and Publication of Information of PARTICIPANTS

The information submitted by PARTICIPANTS during the AUCTION will be confidential until the AWARDING and can only be known by the UPME.

Once the AWARDING is completed, the Ministry of Mines and Energy will have open access to this information, respecting the legal provisions in force that refer to the treatment of personal information and confidentiality restrictions established by the UPME regarding the information described in this section.

In addition to the information that is confidential by law, the UPME establishes that the following information is confidential and will not be published:

a) Shareholder structure.

b) Copies of documents that prove the identification of natural PERSONS involved in the process.

Once the AWARDING process has finished, on the date planned in the SCHEDULE, the UPME will disclose all non-confidential information that has been registered by PARTICIPANTS, which may be checked by any PERSON, during business days and
business hours at the UPME headquarters or by means of procedures defined by the
UPME for this purpose.

5 AUCTION SCHEDULE

The SCHEDULE on the basis of which the AUCTION will be developed is found below.
In the event that the UPME decides to change any of these dates, it will issue the
Corresponding ANNEX.

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Publication of the BIDDING DOCUMENTS.</td>
<td>Aug-07-2019</td>
</tr>
<tr>
<td>2. Training for the INFORMATION TECHNOLOGY PLATFORM and AWARDING process.</td>
<td>Aug-20-2019 to Aug-30-2019</td>
</tr>
<tr>
<td>3. Request by PARTICIPANTS of their username and password for the INFORMATION TECHNOLOGY</td>
<td>Aug-28-2019 to Sep-03-2019</td>
</tr>
<tr>
<td>4. Entry of information of ENVELOPE No. 1 by PARTICIPANTS on the INFORMATION TECHNOLOGY</td>
<td>Sep-04-2019 to Sep-06-2019</td>
</tr>
<tr>
<td>5. Deadline for PARTICIPANTS to send the physical documents of ENVELOPE No. 1.</td>
<td>Sep-06-2019</td>
</tr>
<tr>
<td>6. Publication of PARTICIPANTS.</td>
<td>Sep-07-2019</td>
</tr>
<tr>
<td>7. Deadline for notification to PARTICIPANTS of the review and evaluation results of ENVELOPE No. 1.</td>
<td>Sep-16-2019</td>
</tr>
<tr>
<td>8. Deadline to add ADDENDA to the BIDDING DOCUMENTS.</td>
<td>Sep-16-2019</td>
</tr>
<tr>
<td>9. Physical delivery and entry of the BID BOND by DISTRIBUTORS in the INFORMATION TECHNOLOGY PLATFORM.</td>
<td>Sep-20-2019</td>
</tr>
<tr>
<td>10. Publication by the UPME of the names of QUALIFIED DISTRIBUTORS and their financial statements.</td>
<td>Sep-24-2019</td>
</tr>
<tr>
<td>11. Physical delivery and entry of the BID BOND by GENERATORS in the INFORMATION TECHNOLOGY PLATFORM.</td>
<td>Oct-07-2019</td>
</tr>
<tr>
<td></td>
<td>Event</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>12.</td>
<td>Submission of the envelope containing the ceiling price or Maximum Limit and entry on the INFORMATION TECHNOLOGY PLATFORM.</td>
</tr>
<tr>
<td>13.</td>
<td>Submission of the Target Demand on the INFORMATION TECHNOLOGY PLATFORM.</td>
</tr>
<tr>
<td>14.</td>
<td>Entry of ENVELOPE No. 2 by PARTICIPANTS in the INFORMATION TECHNOLOGY PLATFORM.</td>
</tr>
<tr>
<td>15.</td>
<td>Assessment of the COMPETITIVE CONDITIONS.</td>
</tr>
<tr>
<td>16.</td>
<td>AWARDING.</td>
</tr>
<tr>
<td>17.</td>
<td>Publication of the AWARDING and information.</td>
</tr>
<tr>
<td>19.</td>
<td>End of the AUCTION.</td>
</tr>
<tr>
<td>20.</td>
<td>Sending of the report by the AUDITOR to the MME.</td>
</tr>
<tr>
<td>21.</td>
<td>Sending of the result of the AUCTION by the UPME to the SSPD.</td>
</tr>
<tr>
<td>22.</td>
<td>Reference of Report of the UPME by the MME.</td>
</tr>
<tr>
<td>23.</td>
<td>Delivery to the ASIC of the STARTUP GUARANTEE for approval.</td>
</tr>
<tr>
<td>24.</td>
<td>Signature of the AGREEMENTS.</td>
</tr>
<tr>
<td>25.</td>
<td>Delivery of bilateral guarantees for counterparty review and receipt of approval of the STARTUP GUARANTEE.</td>
</tr>
<tr>
<td>26.</td>
<td>Deadline for the approval of guarantees by the counterparty.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>27.</strong></td>
<td>Deadline for the correction of guarantees by the counterparty.</td>
</tr>
<tr>
<td></td>
<td>Within ten (10) business days following notification to the counterparty of the need to make adjustments to the guarantee.</td>
</tr>
<tr>
<td><strong>28.</strong></td>
<td>Deadline for informing the UPME of the counterparty’s compliance in the granting of bilateral guarantees.</td>
</tr>
<tr>
<td></td>
<td>Within fifteen (15) business days following the expiration of the term for the submission of the guarantee.</td>
</tr>
<tr>
<td><strong>29.</strong></td>
<td>Beginning of the process for the return or execution of BID BONDS of the OFFER.</td>
</tr>
<tr>
<td></td>
<td>Up to two (2) months counted from the receipt of the last compliance report of AWARDEES.</td>
</tr>
<tr>
<td><strong>30.</strong></td>
<td>The registration of AGREEMENTS will be carried out by the parties in the terms established in Clause VIII of the LONG-TERM ENERGY AGREEMENT.</td>
</tr>
</tbody>
</table>

### 6 SUBMISSION OF PROPOSALS

#### 6.1 Registration of PARTICIPANTS before the UPME.

PARTICIPANTS must physically send the documents that prove who will be their LEGAL REPRESENTATIVE or PROXY who, among other powers, will be in charge of administering the user that will interact on the INFORMATION TECHNOLOGY PLATFORM so that the UPME sends them a user and a respective password to the e-mail that the PARTICIPANT registers in the application letter, which must be sent to the UPME, in physical format, and at least five (5) business days before the date established in the SCHEDULE for the submission of ENVELOPE No. 1.
PARTICIPANTS that wish to submit OFFERS as DISTRIBUTORS and as GENERATORS shall indicate such condition in their registration application in order to generate different users and passwords.

6.2 Powers of the LEGAL REPRESENTATIVE or PROXY

The powers of the LEGAL REPRESENTATIVE or those granted to the PROXY shall be sufficiently broad so that they may bind the PARTICIPANT and sign in their name and representation all documents that may be required, as described in these BIDDING DOCUMENTS. These powers must also include those necessary to represent the PARTICIPANT widely and in general in the actions of the AUCTION. The LEGAL REPRESENTATIVE and the PROXIES, if any, shall be fully empowered by the PARTICIPANT to do the following:

a) To bind the PARTICIPANT unconditionally, irrevocably and unrestrictedly;

b) To submit the PROPOSAL;

c) To represent the PARTICIPANT without any limitation;

d) To discuss with the UPME all matters that may arise in relation to the documents submitted in ENVELOPE No. 1, ENVELOPE No. 2 and, in general, in all documents and procedures related to AUCTION and BIDDING DOCUMENTS;

e) To answer on behalf of the PARTICIPANT and with binding effect all questions or clarifications that the UPME makes;

f) To receive notifications in the name and representation of the PARTICIPANT;

g) If the PARTICIPANT becomes an AWARDEE, to sign the AGREEMENT and assume on behalf of the PARTICIPANT the obligations derived from it, without any limitation;

h) To sign on behalf of the PARTICIPANT any document related to this AUCTION or the AGREEMENT, including, among others, guarantees, statements, forms, OFFERS, clarifications and, in general, any document related to making OFFERS, the execution of the AGREEMENT and compliance
with the requirements and obligations related to the AUCTION;

i) To receive, desist, compromise, commit, renounce, have rights, assume obligations, pay and collect;

j) To be notified of any action during the AUCTION, and

k) PROXIES shall have the power to substitute and regain power.

These powers shall be accredited by means of the submission of the respective certificate of existence and legal representation issued by the chamber of commerce of the place of domicile of the company or, according to the nature of the PARTICIPANT of the document that acts in accordance with the APPLICABLE PROVISIONS.

If the LEGAL REPRESENTATIVE of a PARTICIPANT does not have the aforementioned powers or that such powers are not clearly understood from the document of existence and legal representation of the company, they must submit the corresponding authorization granted by the competent corporate body which must contain the powers listed in this section and indicate the name and identity card number of the LEGAL REPRESENTATIVE to whom such powers are granted. For this purpose, a copy or an extract of the minutes of the meeting of said corporate body must be provided, which shall be certified by the company secretary or by the LEGAL REPRESENTATIVE.

The information to be provided in relation to the LEGAL REPRESENTATIVE or the PROXY shall be the following: name, identity card number, address, telephone numbers and e-mail address.

If the PARTICIPANT acts through a PROXY, the LEGAL REPRESENTATIVE granting the power must be duly empowered to grant the aforementioned powers. The power by which the PROXY is designated shall have the powers to represent the PARTICIPANT in the terms of this section and shall state name, identity card number, address, telephone numbers and e-mail address, and shall be included in ENVELOPE No. 1.

6.3 Place of granting Power

The power granted outside of Colombia for the purpose of designating or
appointing the PROXY shall be:

a) Duly authenticated by the consul or diplomatic agent of the Republic of Colombia in said country or, otherwise, by that of a friendly Nation.

b) Paid to the Ministry of Foreign Affairs of Colombia.

c) In Spanish, if this is the language of the country of the issuer, or translated into Spanish by a certified translator authorized for such purpose in Colombia.

In the event of authentication of documents issued by authorities of member countries of The Hague Convention of 1961, only the apostille will be required as a legalization procedure, in accordance with the provisions of Law 455 of 1998.

For the powers granted in Colombia, it will be sufficient and necessary to submit them face-to-face before a notary public.

Without prejudice to the foregoing, all powers shall comply with the APPLICABLE PROVISIONS and especially the provisions of Articles 74 and 251 of the General Code of Process.

6.4 AUCTION PARTICIPANTS

Only DISTRIBUTORS of the WHOLESALE ENERGY MARKET who have already registered as PARTICIPANTS before the UPME may participate in the AUCTION and make purchase OFFERS, in accordance with sections 6.1. and 6.2 of the BIDDING DOCUMENTS.

Only the following PEOPLE who have registered as PARTICIPANTS before the UPME may participate in the AUCTION and make sale OFFERS in compliance with the PREQUALIFICATION REQUIREMENTS under the following legal entities: (i) GENERATORS of the WHOLESALE ENERGY MARKET who are trade representatives of generation plants; (ii) GENERATORS of the WHOLESALE ENERGY MARKET who are owners, or authorized by the owner as representatives, of PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES, or (iii) individual or legal entities who are owners, or authorized by the owner as representatives, of
PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES.

For the purposes of these BIDDING DOCUMENTS, it shall be understood that the owner of the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES is the individual or legal entity who has received a favorable concept from the UPME regarding the request for connection to the National Interconnected System.

PARTICIPANTS shall declare under oath that they comply with the APPLICABLE PROVISIONS.

6.5 Communication to PARTICIPANTS

All notifications addressed to PARTICIPANTS shall be made through the representative who may be the LEGAL REPRESENTATIVE or the PROXY, as the case may be, on the INFORMATION TECHNOLOGY PLATFORM, in which case it shall be understood as received on the date on which the transmission is completed, and said notification shall be understood as sent to the LEGAL REPRESENTATIVE or the PROXY registered before the UPME.

After the submission of ENVELOPE No. 1 by PARTICIPANTS, the exchange of notifications will only take place on the INFORMATION TECHNOLOGY PLATFORM unless some type of contingency arises and the UPME, by the publication of a notice in its web page, authorizes the use of an alternative means of communication.

6.6 Independence of PARTICIPANTS.

All AUCTION PARTICIPANTS will base the submission of their PROPOSALS for this AUCTION on their own studies, research, examinations, inspections, visits, interviews and others.

6.7 Liability

The submission of a PROPOSAL constitutes acknowledgement and acceptance by the PARTICIPANT that are not limited by any document or information made
available by Colombia, the MME, the CREG, the UPME or any state agency or
entity, its public servants, advisors and agents, or in the materials provided (or
statements made) during the course of any visit to the UPME, any informational
memorandum or descriptive documents. Especially, nothing contained in the
BIDDING DOCUMENTS constitutes a guarantee or statement with respect to the
achievement or reasonableness of results, perspectives or operational or financial
performance, if any.

Neither the receipt of the BIDDING DOCUMENTS by PARTICIPANTS nor any
information provided during the AUCTION or subsequently communicated to any
PARTICIPANT, whether orally or in writing with respect to the AUCTION, shall or
may be considered as investment, legal, regulatory, tax or other type of advice in
favor of any PARTICIPANT by the UPME.

The limitation of liability set forth in this section also affects information provided
through DISCLAIMERS, ADDENDA or any other form of communication.

6.8 Acceptance by PARTICIPANTS

The mere submission of documents to accredit the PREQUALIFICATION
REQUIREMENTS by PARTICIPANTS shall constitute, without the need for any
subsequent act, their acceptance of all the provisions of Sections 6.6 and 6.7 of
these BIDDING DOCUMENTS.

7 PREQUALIFICATION REQUIREMENTS

The EVALUATION COMMITTEE of the UPME must verify that PARTICIPANTS
comply with the PREQUALIFICATION REQUIREMENTS established in
RESOLUTION MME 40590 OF 2019. The evaluation of the PREQUALIFICATION
REQUIREMENTS shall be carried out in compliance with the provisions of the
SCHEDULE.

7.1 Content of ENVELOPE No. 1 - GENERATORS

GENERATORS shall include the following documents in ENVELOPE No. 1:
Technical requirements:

a) The UPME number of the notification of registration in the record of electrical energy generation projects, at least phase 2, whose certificate must be in force.

b) The UPME number of the notification in which the concept of connection to the National Interconnected System is approved. OFFERS of PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES whose start date planned in the concept of connection of the UPME is later than December thirty-first (31), 2023 will not be qualified.

c) A statement in Form No. 1 that PROJECTS FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY SOURCES have a total effective capacity greater than or equal to 5 MW. For generation projects with a capacity equal to or greater than 5 MW and less than 20 MW, a statement signed by the LEGAL REPRESENTATIVE of the respective GENERATOR must be submitted, based on the duration of the AGREEMENT to the central dispatch in accordance with the regulations in force.

d) The detailed SCHEDULE of the project with instructions of the critical route, the DATE OF BEGINNING OF COMMERCIAL OPERATION of the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY and the S CURVE with at least the following construction and execution milestones: (i) Prior queries; (ii) granting of the environmental license for the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY; (iii) beginning of construction of the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY; (iv) purchase of main equipment; (v) testing period; (vi) environmental licenses or permits associated with the connection; (vii) implementation of the connection; (viii) completion of the construction of the connection; and (ix) DATE OF BEGINNING OF COMMERCIAL OPERATION of the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY.

In general, GENERATORS must meet the requirements set forth in MME
RESOLUTION 40590 OF 2019.

Legal requirements:

a) Letter of submission of the PREQUALIFICATION documents of ENVELOPE No. 1 (including statements). Form No. 1.

a) Documents accrediting the existence and legal representation of the PARTICIPANT and their address. The documents may not have a term longer than thirty (30) calendar days.

b) In the event that the PARTICIPANT does not have the nature of a company, the PARTICIPANT must submit the documents that accredit their existence (laws, decrees, agreements) and legal representation and its statutes.

c) Copy of the authorizations of the competent bodies so that the PARTICIPANT attends the AUCTION and makes a binding and unconditional OFFER, including the pertinent authorizations to the LEGAL REPRESENTATIVE of the PARTICIPANT.

d) The power granted to the PARTICIPANT’S PROXY in accordance with the provisions of these BIDDING DOCUMENTS.

e) Letter of authorization by the Owner of the Project to the PARTICIPANT to participate in the AUCTION. This is only if the PARTICIPANT is not the one who processed the registration in phase 2 of the UPME nor who carried out the procedures for approval of the connection.

f) Document from the competent corporate body (Shareholders meeting, meeting of partners or the competent corporate body) in which it is stated the obligation to change the PARTICIPANT into a public utility company. In the case of entities with another legal nature, they should submit authorizations of such case. The foregoing is without prejudice to the existence of any other entity authorized by Law 142 of 1994 to provide public utilities.

g) To submit the declaration of economic ties with other GENERATORS.
Once the revision process of ENVELOPE No. 1 has finished, the
GENERATORS that have complied with the requirements and/or have
corrected them, must submit the original BID BOND in accordance with the
SCHEDULE; they have to submit it physically before the UPME and upload it
on the INFORMATION TECHNOLOGY PLATFORM.

The only ones who will be able to participate as GENERATORS are the following:

(i) A legal PERSON domiciled in Colombia who can carry out the generation and
who is a public utility company or who is authorized for that purpose by Law 142 of
1994; or

(ii) A legal PERSON domiciled in Colombia that is not a public utility company, in
which case they must submit the document stating the obligation to change into a
public utility company, which is dealt with in paragraph k of this section; or

(ii) A natural PERSON, either Colombian or an alien, who must submit a
written promise of future partnership with the requirements stated in the following
section, or

(iii) One or more individual or legal entities, either Colombian or foreign, by
means of promise of future partnership, in which case they must submit the
foregoing documents (except for the commitment to change into a public utility
company referred to in paragraph k) for each of them, together with a written
promise of future partnership.

The promise of future partnership must contain: (1) the shareholders and their
participation in the capital of the company; (2) the initial contributions to be made
by each of them; (3) the bylaws expressly stating that its shareholders will be
jointly and severally liable for all obligations acquired in the event of being an
AWARDEE; (4) that the company to be incorporated will be a Public Utility
Company domiciled in Colombia, which will assume the obligations and rights as a
GENERATOR in the event of being an AWARDEE; (5) the legal formalities
required to make the incorporation of the future company valid; (6) a term or
condition that establishes the time in which the future company is to be
incorporated, which must occur prior to the SIGNATURE DATE; (7) an express
provision stating that in the event of being an AWARDEE, the future company shall sign the AGREEMENTS with the AWARDED DISTRIBUTORS; (8) the term of the social AGREEMENT shall be at least the term of the LONG-TERM ENERGY AGREEMENT; and (9) any other legally required requirement for the validity of the promise of the AGREEMENT of future companies.

In general, GENERATORS must meet the requirements set forth in MME RESOLUTION 40590 OF 2019.

The above documentation, regarding the compliance with legal requirements, must be uploaded to the INFORMATION TECHNOLOGY PLATFORM and physically submitted to the UPME in accordance with the deadline stated in the SCHEDULE. In the development of the assessment process of compliance with these requirements, the content of the physical information will prevail over the information entered on the platform.

Financial requirements:

a) To have a BID BOND.

b) In order to calculate the value of the constitution of the guarantee, GENERATORS shall report the maximum amount of energy available for sale in one day in kilowatt hour [kWh-day], expressed in positive whole numbers. This value shall consider all OFFERS submitted for each project, and the restrictions submitted pursuant to the provisions of section vii, paragraph b of Article 20 of Resolution MME 40590.

c) Certification of the subscribed capital and the shareholder structure of the PARTICIPANT, signed by the fiscal auditor or, if any, it must be signed by the LEGAL REPRESENTATIVE. The date of issuance may not exceed thirty (30) calendar days prior to the submission of ENVELOPE No. 1.

In general, GENERATORS must meet the requirements set forth in MME RESOLUTION 40590 OF 2019.

7.1.1 Delivery and Processing of Information
Generators must complete the information requested in the Information Technology Platform, which will contain the basic information of the person submitting Envelope No. 1 and the information related to the legal, financial and technical requirements delivered to the UPME, as well as the uploading of the required documents in PDF format.

The documentation, regarding the compliance with legal requirements, must be uploaded to the Information Technology Platform and physically submitted to the UPME in accordance with the deadline stated in the Schedule. In the development of the assessment process of compliance with these requirements, the content of the physical information will prevail over the information entered on the platform.

7.2 Content of Envelope No. 1 Distributors

Distributors who wish to participate in the Auction process must submit Envelope No. 1:

Legal requirements:

b) Letter of submission of the Prequalification documents of Envelope No. 1 (including statements). Form No. 2.

c) Documents accrediting the existence and legal representation of the Participant and their address. The documents may not have a term longer than thirty (30) calendar days.

d) Documents accrediting the existence and legal representation of the Participant and in which it is stated that the Participant is incorporated and domiciled in Colombia, that they are a public utility company and that they trade electrical energy as part of their company purpose in the Wholesale Energy Market, and that their validity is at least until December 31, 2038.

e) Copy of the authorizations of the competent bodies so that the Participant attends the Auction and makes a binding and unconditional Offer, including the pertinent authorizations to the Legal Representative of the Participant, according to section 6.2 of these
BIDDING DOCUMENTS. In case of limitations to the powers of the LEGAL REPRESENTATIVE, the minutes in which it is stated the respective authorization of the competent corporate body (board of directors or shareholders meeting) are required. In the case of entities with another legal nature, they should submit authorizations of such case.

f) The power granted to the PARTICIPANT’S PROXY in accordance with the provisions of these BIDDING DOCUMENTS.

Once the revision process of ENVELOPE No. 0.1 has finished, the DISTRIBUTORS that have complied with the requirements and/or have corrected them, must submit the original BID BOND in accordance with the SCHEDULE; they have to submit it physically before the UPME and upload it to the INFORMATION TECHNOLOGY PLATFORM.

The above documentation, regarding the compliance with legal requirements, must be uploaded to the INFORMATION TECHNOLOGY PLATFORM and physically submitted to the UPME in accordance with the deadline stated in the SCHEDULE. In the development of the assessment process of compliance with these requirements, the content of the physical information will prevail over the information entered on the platform.

Financial requirements:

a) To have a BID BOND.

b) In order to calculate the value of the constitution of the guarantee, DISTRIBUTORS shall report the maximum amount of energy they are willing to buy in one day in kilowatt hour [kWh-day], expressed in positive whole numbers. This value must consider all OFFERS submitted.

Under no circumstances shall the sum of the amounts of purchase OFFERS exceed the average daily commercial demand of the BUYER for 2018.

The average daily commercial demand will be calculated for each TRADE AGENT and published by the UPME as in APPENDIX No. 1 of the BIDDING...
g) Certification of the subscribed capital and the shareholder structure of the PARTICIPANT, signed by the fiscal auditor or, if any, it must be signed by the LEGAL REPRESENTATIVE. The date of issuance may not exceed thirty (30) calendar days prior to the submission of ENVELOPE No. 1.

h) Financial statements and their notes, as of December 31, 2018, audited by the fiscal auditor. The UPME will publish the financial statements of the QUALIFIED DISTRIBUTORS. The delivery of ENVELOPE No. 1 implies not saving such documents anymore.

7.2.1 Delivery and Processing of Information

DISTRIBUTORS must complete the information requested in the INFORMATION TECHNOLOGY PLATFORM, which will contain the basic information of the person submitting ENVELOPE No. 1 and the information related to the legal, financial and technical requirements delivered to the UPME, as well as the uploading of the required documents in PDF format.

The documentation, regarding the compliance with legal requirements, must be uploaded to the INFORMATION TECHNOLOGY PLATFORM and physically submitted to the UPME in accordance with the deadline stated in the SCHEDULE. In the development of the assessment process of compliance with these requirements, the content of the physical information will prevail over the information entered on the platform.

8 BID BOND OF THE OFFER

PARTICIPATING DISTRIBUTORS AND GENERATORS must constitute a BID BOND of the OFFER to guarantee the validity, effectiveness and fulfillment of their PROPOSAL. To that effect, they must submit the original copy of the BID BOND in accordance with the model contained in Forms No. 3A, 3B, 3C, 3D and 3E, as applicable, and in the terms established in the SCHEDULE of this AUCTION. Such document must be uploaded in PDF format to the INFORMATION TECHNOLOGY PLATFORM in the same terms and deadlines.
The BID BOND must be issued by a FIRST-CLASS FINANCIAL INSTITUTION or by the FIDUCIARY.

This guarantee must be constituted in favor of the UPME and payable to the PARTICIPANTS acting as counterparty of the defaulting OFFEROR, according to the instructions of the UPME.

The BID BOND shall consist of a letter of indemnity or a bank guarantee issued by a FIRST-CLASS FINANCIAL INSTITUTION domiciled in Colombia or a standby letter of credit issued by a FIRST-CLASS FINANCIAL INSTITUTION domiciled in Colombia or abroad or a guarantee certificate issued by the FIDUCIARY.

The value to be guaranteed must cover as a minimum:

In the case of PARTICIPATING GENERATORS, the sum of one hundred and thirty-five Colombian pesos in the legal currency ($135.00) /kWh or four twenty-five cents of a United States dollar (USD 0.0425)$^{2}$/kWh, multiplied by ten percent (10%) of the maximum quantity of energy available for sale in a year in kilowatt hour [kWh-year] declared on the INFORMATION TECHNOLOGY PLATFORM.

In the case of DISTRIBUTORS, the sum of one hundred and thirty-five Colombian pesos in the legal currency ($135.00)/kWh or four twenty-five cents of a United States dollar (USD 0.0425)$^{3}$/kWh, multiplied by five percent (5%) of the maximum quantity of energy available to buy in a year in kilowatt hour [kWh-year] declared on the INFORMATION TECHNOLOGY PLATFORM.

The BID BOND must have a minimum validity of six (6) months from the date of submission of ENVELOPE No. 2. If required, the UPME may request one or more

---

2 Taking as reference the quotation in the derivatives market for foreign currency in Colombia of the future market representative rate March 2019, with closing date January 24, 2019: 3174.9 (COP/USD). The primary source of information for future market representative rates is the Colombia Stock Exchange (Bolsa de Valores de Colombia, BVC), available at the following link: https://www.bvc.com.co/pps/tibco/portalbvc/Home/Mercados/enlinea/derivados

3 Taking as reference the quotation in the derivatives market for foreign currency in Colombia of the future market representative rate March 2019, with closing date January 24, 2019: 3174.9 (COP/USD). The primary source of information for future market representative rates is the Colombia Stock Exchange (Bolsa de Valores de Colombia, BVC), available at the following link: https://www.bvc.com.co/pps/tibco/portalbvc/Home/Mercados/enlinea/derivados
extensions of the validity of the BID BOND, but the sum of the extensions may not exceed four (4) months.

For the entity issuing the guarantee to be considered a FIRST-CLASS FINANCIAL INSTITUTION, a valid document issued by a risk rating firm must be attached, stating the last rating obtained by the financial entity issuing the guarantee and the validity of said rating, to verify compliance with the requirements and, for entities domiciled in Colombia, a certificate of existence and legal representation of the FIRST-CLASS FINANCIAL INSTITUTION, issued by the Financial Superintendence of Colombia with a date of issue that does not exceed thirty (30) calendar days from the date of submission of the PROPOSAL.

In the event that documents issued by financial entities domiciled abroad are submitted, it will be required to accredit their existence and legal representation according to the country of origin and the rating of the long-term debt, and the UPME will verify that it is included in the list of foreign financial entities contained in Annex No. 1 of Regulation Letter DCIN-83 of 2003 of the Colombian Bank of the Republic.

For guarantees issued in dollars, in the event of default and if they have to be executed, their payment must be made in Colombian pesos, at the exchange rate indicated by the issuing bank on the day of payment, according to the terms indicated in the BIDDING DOCUMENTS.

For the FIDUCIARY, guarantee certificates submitted by PARTICIPANTS must be accompanied by the certificate of existence and legal representation or equivalent document accrediting the legal capacity of its executor.

The purpose of the BID BOND must be:

a) To irrevocably guarantee the seriousness of the OFFER made by the QUALIFIED PARTICIPANT, in accordance with these BIDDING DOCUMENTS.

b) To guarantee the fulfillment of the requirements foreseen in the SIGNATURE DATE of the AGREEMENT.

c) To guarantee the constitution of PERFORMANCE, PAYMENT and STARTUP
GUARANTEES, as the case may be.

In this way, the BID BOND submitted by the PARTICIPANT may be executed if said PARTICIPANT does not comply with: (i) signing the AGREEMENT; (ii) the approval of the STARTUP GUARANTEE by their beneficiary, or (iii) the constitution of the PERFORMANCE OR PAYMENT GUARANTEE, as the case may be.

The BID BOND submitted by PARTICIPANTS shall be returned to them, at their request, once: (i) they have signed the AGREEMENT; (ii) the ASIC has accredited the approval of the STARTUP GUARANTEE; and (iii) they have constituted PERFORMANCE OR PAYMENT GUARANTEES, as the case may be, duly approved by the counterparties in accordance with the DRAFT AGREEMENT.

In the event of controversies between the counterparties regarding the approval of the guarantee, in no case will the UPME act as an intermediary or intervene with respect to it. Upon submission of one of the causes established for the execution of the guarantee, the UPME will proceed to arrange the payment instruction before the FIRST-CLASS FINANCIAL INSTITUTION or the FIDUCIARY, as the case may be.

The BID BOND submitted by PARTICIPANTS will also be returned, at their request, to those who do not submit an OFFER or who do not become Awardees.

Likewise, the BID BOND will be returned to all PARTICIPANTS if there is no awarding, when the AUCTION is declared void or in the other cases as provided for in the APPLICABLE PROVISIONS or in the DOCUMENTS.

9 OFFER

The UPME will evaluate the OFFERS OF PARTICIPANTS to determine whether or not they are VALID OFFERS. Those who accredit the quality of QUALIFIED PARTICIPANTS will be able to participate in the AWARDING that will be held as established in the SCHEDULE of these BIDDING DOCUMENTS.

OFFERS, that is Envelope No. 2, must be submitted on the INFORMATION
TECHNOLOGY PLATFORM provided by the UPME for this purpose.

9.1 Content of ENVELOPE No. 2 - ECONOMIC OFFER for GENERATORS.

QUALIFIED PARTICIPANTS must submit their OFFERS in the terms established in Article 20 of RESOLUTION MME 40590 OF 2019 and in these BIDDING DOCUMENTS.

Each sale OFFER of the GENERATORS must be submitted through the INFORMATION TECHNOLOGY PLATFORM, indicating the price of the OFFER, in Colombian pesos per kilowatt hour [COP/kWh] with two (2) decimals of precision and not including the CERE.

The CERE Component will be settled in accordance with the regulations in force or with the provisions of the CREG for such purpose according to Resolution 071 of 2006 or anyone that modifies or replaces it.

9.2 Content of ENVELOPE No. 2 - ECONOMIC OFFER for DISTRIBUTORS

QUALIFIED PARTICIPANTS must submit their OFFERS in the terms established in RESOLUTION MME 40590 OF 2019 and in these BIDDING DOCUMENTS.

Each purchase OFFER of the GENERATORS must be submitted on the INFORMATION TECHNOLOGY PLATFORM, indicating the price of the OFFER, in Colombian pesos per kilowatt hour [COP/kWh] with two (2) decimals of precision and not including the CERE.

The CERE Component shall be settled in accordance with current regulations or with the provisions of the CREG for such purpose according to Resolution 071 of 2006 or anyone that modifies or replaces it.

10 PAPER DOCUMENTS TO SUBMIT TO THE UPME

The documentation that is requested in paper is the legal requirements of ENVELOPE No. 1 AND the BID BOND, whose original copies must be sent to the UPME. All pages that have content must be duly numbered in a clear and consecutive way and signed in those pages in which it is required, according to
the rules established in these BIDDING DOCUMENTS for each type of document.

Authentication will only be required for the special powers and apostille as indicated in sections 4.5, 6.2 and 6.3 of these BIDDING DOCUMENTS.

The documentation in paper must always correspond to that uploaded to the INFORMATION TECHNOLOGY PLATFORM.

11 EFFECTS OF THE SUBMISSION OF OFFERS AND BINDING NATURE OF BIDDING DOCUMENTS

The submission of OFFERS to the UPME can only be made if there is full knowledge of: (i) the APPLICABLE PROVISIONS and other applicable regulations, both to the generation and trade of energy, as well as to those who carry out these activities in the Republic of Colombia, and (ii) all procedures, obligations, conditions and rules applicable to that activity and to those PEOPLE in the Republic of Colombia, without exception, on the understanding that all the beforementioned laws, regulations, rules and procedures are binding.

It shall be understood that those who submit the beforementioned OFFERS to the UPME declare, by the mere fact of their submission and under oath, that they are aware of the APPLICABLE PROVISIONS, the laws, rules and procedures referred to in this section, and that they undertake to accept them and to obey them unconditionally and at all times.

12 EVALUATION OF PROPOSALS AND SELECTION OF Awardees

12.1 EVALUATION of PREQUALIFICATION REQUIREMENTS

The evaluation will be divided in two stages: first, the evaluation of the PREQUALIFICATION REQUIREMENTS contained in ENVELOPE No. 1 and second, the evaluation of the BID BOND.

12.1.1 Verification of ENVELOPE No. 1 of PARTICIPANTS.

ENVELOPE No. 1 will be submitted in accordance with the AUCTION SCHEDULE
and these BIDDING DOCUMENTS. Upon receipt of ENVELOPE No. 1, the UPME EVALUATION COMMITTEE shall be responsible for verifying compliance with the PREQUALIFICATION REQUIREMENTS set forth in these BIDDING DOCUMENTS and in RESOLUTION MME 40590 OF 2019.

After verifying compliance with the requirements of ENVELOPE No. 1 of DISTRIBUTORS, the UPME will individually notify each of the PARTICIPANTS of their result through the INFORMATION TECHNOLOGY PLATFORM, so that they may submit the BID BOND as indicated in the term established in the SCHEDULE.

If noncompliance with the requirements is found in these BIDDING DOCUMENTS or in the BID BOND, the UPME will grant the PARTICIPANT up to three (3) business days, at the discretion of the committee and according to the complexity, to make the respective correction, under penalty of being disqualified and, consequently, not qualified to submit an OFFER in the AWARDING process of this AUCTION.

Once the PREQUALIFICATION REQUIREMENTS have been accredited and the respective BID BONDS have been approved, the UPME will publish a notice with the name of QUALIFIED DISTRIBUTORS, who may submit Envelope No. 2 with the ECONOMIC PROPOSAL in accordance with the established SCHEDULE.

Simultaneously, the EVALUATION COMMITTEE will proceed to assess the requirements considered in sections 7.1 of these BIDDING DOCUMENTS, and in RESOLUTION MME 40590 OF 2019, delivered by GENERATORS in ENVELOPE No 1. After verifying the fulfillment of said requirements, the UPME will proceed to inform through the INFORMATION TECHNOLOGY PLATFORM individually and confidentially each one of the GENERATORS who have fulfilled these requirements, so that they submit the BID BOND, as indicated in section 5, in the term established in the SCHEDULE.

If noncompliance is found with the PREQUALIFICATION REQUIREMENTS, the UPME will grant the PARTICIPANT up to three (3) business days, according to the complexity, to make the respective correction, under penalty of being disqualified and, consequently, not qualified to submit an OFFER in the AWARDING process.
of this AUCTION.

Once the PREQUALIFICATION REQUIREMENTS have been accredited, GENERATORS will be QUALIFIED and may submit ENVELOPE No. 2 with the ECONOMIC PROPOSAL through the INFORMATION TECHNOLOGY PLATFORM in accordance with the established SCHEDULE.

12.1.2 Request for Correcting PREQUALIFICATION REQUIREMENTS

In order to carry out a correct assessment of the PREQUALIFICATION REQUIREMENTS, the UPME may, at its discretion, request clarifications or additional information to the documents submitted by a participant, as well as additional documents the UPME deems necessary for the purpose of assessing whether or not the participant complies with said requirements.

In case of finding any defects in the documents that make up ENVELOPE No. 1, the UPME will request correction within a term of up to three (3) business days, at the discretion of the committee, clearly indicating which defects were found and how they must be remedied. The lack of other documents referred to in section 7 other than those indicated in this section and minor defects, such as typos, are considered correctable defects.

The EVALUATION COMMITTEE shall review the corrective documents submitted by the PARTICIPANT in order to determine whether or not the defect was corrected. In case the requested documents are not submitted in a timely manner or if the fault was not corrected, the UPME will notify the PARTICIPANT who does not comply with the PREQUALIFICATION REQUIREMENTS.

The EVALUATION COMMITTEE will review the documents submitted and will declare as "non-conforming" those documents that incur in any of the following causes that cannot be remedied:

a) The project does not have a total effective capacity greater than or equal to 5 MW.

b) The STARTUP DATE for the PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY according to the concept of connection of the UPME is after December thirty-first (31), 2023.
c) The BID BOND is not delivered within the term granted by UPME substantially according to the model contained in Forms No. 3A, 3B, 3C, 3D and 3E, as applicable.

d) The PARTICIPANT is a company that cannot submit OFFERS to this request accordance with these BIDDING DOCUMENTS, the Regulations and the APPLICABLE PROVISIONS.

e) Any failures of the documents that make up the PREQUALIFICATION REQUIREMENTS have not been corrected within the term since notified.

f) The information, declarations, certifications and, in general, any document submitted are false.

In general, the PARTICIPANT must meet the requirements set forth in MME RESOLUTION 40590 OF 2019.

12.1.3 Rejection of PROPOSALS

Without prejudice to the PROPOSALS established in the APPLICABLE PROVISIONS, the following shall be grounds for rejection: (i) the documents submitted by the PARTICIPANTS are declared “non-conforming” as established in section 12.1.2 of these BIDDING DOCUMENTS; (ii) any requirement demanded in the APPLICABLE PROVISIONS is not complied with, especially those established in Article 26 of RESOLUTION MME 40590 OF 2019.

12.2 Ceiling Price or Maximum Limit and Target Demand

Between 08:00 and 09:00 a.m. of the day set for the awarding per the AUCTION SCHEDULE, the CREG shall deliver to the UPME a sealed envelope with the ceiling price or Maximum Limit in Colombian pesos per kilowatt hour [$/kWh], with two decimals of precision, excluding the CERE, for the purposes of Article 23 of RESOLUTION MME 40590 OF 2019. The UPME, together with the AUCTION AUDITOR, will open the envelope and proceed to register the information in the INFORMATION TECHNOLOGY PLATFORM available for the AUCTION.

Next, the MME must deliver to the UPME in a closed envelope the Target Demand, in units of energy, for the purposes of Article 3 of RESOLUTION MME 40591 OF 2019. The UPME, together with the AUCTION AUDITOR, will
open the envelope and proceed to register the information in the INFORMATION TECHNOLOGY PLATFORM available for the AUCTION.

In any case, the information referred to above will be confidential and will only be disclosed once the awarding process has finished.

12.3 Entry of ENVELOPE No. 2 of OFFERORS.

The OFFER contained in ENVELOPE No. 2 shall be submitted by QUALIFIED GENERATORS and QUALIFIED DISTRIBUTORS through the INFORMATION TECHNOLOGY PLATFORM provided by the UPME for such purposes, from 09:00 a.m. on the day set for the awarding and until 12:00 p.m. on the same day, as indicated in the AUCTION SCHEDULE.

After receiving all ENVELOPES No. 2 submitted by QUALIFIED PARTICIPANTS, in the presence of the AUCTION AUDITOR, the UPME will have the necessary procedures to guarantee its integrity.

12.4 AUCTION AWARD:

Once the information of the ceiling price or Maximum Limit, Target Demand and OFFERS submitted by each of the SELLERS and BUYERS is known, the UPME will verify if the COMPETITIVE CONDITIONS are fulfilled. If the COMPETITIVE CONDITIONS are not met, the UPME will terminate the process without award.

Once the process described above has finished, the AUCTION AUDITOR will fulfill the roles established in RESOLUTION MME 40590 OF 2019, to continue with the AWARDING process.

Subsequently and on the same day, the UPME will carry out the AWARDING process using the procedure that will solve a problem of optimization, that will seek the combination of offers which maximizes the benefit of the final consumer, in accordance with the provisions of Article 24, Chapter IV of RESOLUTION MME 40590 OF 2019, and will report the results of the AUCTION. Likewise, the UPME will reveal the Target Demand and the Maximum Limit.
The AWARDING process will be registered in a record, and in the event of cession, the energy to be contracted by each of the parties must be indicated.

AWARDEES must register before the CREG, the SSPD and the ASIC, in accordance with the APPLICABLE PROVISIONS.

The AGREEMENTS resulting from the AWARDING shall be formalized using the DRAFT of the AGREEMENT issued by the MME for this purpose (Annex No. 4: "DRAFT OF THE AGREEMENT"). Said AGREEMENTS must be signed within the term established in the SCHEDULE and must be registered before the Operator and Market Administrator, complying with the requirements established for this purpose in the APPLICABLE PROVISIONS and at the time indicated in the AGREEMENT.

12.5 Non-Award of Auction

The UPME may declare the NON-AWARD of the AUCTION in any of the following cases:

a) If the COMPETITIVE CONDITIONS defined by the CREG in accordance with Article 19 of Resolution MME 40791 of 2019 are not met.

b) When the optimization process established for the AWARDING does not find a feasible solution for the allocation of bids.

c) When at the request of the AUCTION AUDITOR it is considered that the AUCTION should be suspended.

12.6 Declaring the Process Void

The UPME may declare the AUCTION void if none of the PARTICIPANTS meets the PREQUALIFICATION REQUIREMENTS.
12.7 Award Minutes

Once the AWARDING process has finished, the minutes will be prepared, in which the development of the AUCTION, the verification of the COMPETITIVE CONDITIONS, and other regulatory requirements, as well as the selection of Awardees and the corresponding amounts of energy will be recorded. SELLERS and BUYERS that became AWARDINGs will be mentioned there, and must therefore sign the DRAFT AGREEMENT. The aforementioned minutes shall be disclosed, informing the selection to the Awardees. These minutes shall be notified on notice boards and shall contain an exact record of the decisions taken and of the situation in which such decisions were notified. An appeal could be filed against the awarding act pursuant to the terms established in Article 76 of the Código de Procedimiento Administrativo y de lo Contencioso Administrativo (CPACA, Code of Administrative Procedure and Contentious Administrative Matters).

The awarding minutes will be signed by the Director of the UPME or whoever is in charge and the AUCTION AUDITOR.

13 EFFECT OF SELECTION

It will be understood that the Awardees unconditionally accepted the OFFERS of the counterparties. As a consequence of the foregoing and of the development of this AUCTION, BUYERS and SELLERS must sign and register the AGREEMENT from which they became Awardees at the time established in the SCHEDULE of these BIDDING DOCUMENTS. After signing the AGREEMENT, they must deliver the PERFORMANCE BOND AND PAYMENT GUARANTEES, as appropriate, according to the provisions of the AGREEMENT. Once the respective guarantees are delivered, the BID BOND will be returned pursuant to the terms established in section 8 of the BIDDING DOCUMENTS.

Should the Awardee fail to comply with all the obligations that must be fulfilled before the SIGNATURE DATE of the AGREEMENT, the UPME may execute the BID BOND in accordance with the provisions of the BIDDING DOCUMENTS.
14 GUARANTEES

Guarantees that the PARTICIPANTS are obliged to constitute and deliver shall be granted subject to the conditions stated in these BIDDING DOCUMENTS, CLAUSE XIII of the DRAFT AGREEMENT and the administrative act issued by the CREG in the case of a STARTUP GUARANTEE within the periods indicated in the SCHEDULE.

14.1 STARTUP Guarantee

Each SELLER that has a PROJECT FOR THE GENERATION OF NON-CONVENTIONAL RENEWABLE ENERGY and who has been selected in this AUCTION must grant a STARTUP GUARANTEE on the date established in the SCHEDULE, in accordance with the provisions of the CREG.

14.2 Bilateral Guarantees considered in the Agreement.

AWARDEES must constitute bilateral performance and payment guarantees provided for in the AGREEMENT. The guarantee submitted by each of the parties to the AGREEMENT must be approved by their counterparty and inform in writing to the UPME of the fulfillment or breach of this obligation in order to return or execute the BID BOND.

14.3 Bid Bond of the Offer.

According to the deadlines stated in the SCHEDULE, once all compliance reports of AWARDEES have been received, the UPME will proceed with the execution of the BID BOND so that guarantors proceed to make the corresponding disbursements.

15 AUDIT

There will be an AUCTION AUDITOR who will be an individual or legal entity with recognized experience in auditing processes. The auditor will be responsible for the following:
a) Verifying the correct application of the regulations in force for the development of the AUCTION.

b) Verifying that communications between PARTICIPANTS and the UPME are carried out solely and exclusively through formal communication channels established by the latter.

c) Verifying the prequalification process of OFFERS.

d) Verifying that during the AUCTION, the steps and rules established in RESOLUTION MME 40590 OF 2019 and the criteria mentioned in these BIDDING DOCUMENTS are expressly followed.

e) Requesting the UPME to suspend the AUCTION when they consider that the provisions contained in the regulations in force are not being complied with.

f) Submitting to the MME, within five (5) days following the end of the AUCTION, a report in which it is stated, free of ambiguities, the compliance or non-compliance of the regulations in force in said process.

g) Verifying the COMPETITIVE CONDITIONS established in Article 19 of RESOLUTION MME 40590 OF 2019 and submitting the corresponding report to the CREG within the terms established by said entity.

h) For the cases in which the AUDITOR establishes that the beforementioned requirements, as well as those indicated in RESOLUTION MME 40590 OF 2019, were not met in the respective ACUTION, the advanced process will not take effect, without prejudice to criminal and/or civil actions and administrative actions that may take place against PERSONS who have not complied with the regulations in force.

The costs incurred because of the AUCTION AUDIT will be paid by the UPME.

16 INFORMATION TECHNOLOGY PLATFORM

The UPME will implement an INFORMATION TECHNOLOGY PLATFORM that allows the implementation of the AUCTION. For this, the UPME will hire an agent specialized in software that allows the correct execution of the AUCTION. In the event that, due to Force Majeure and Fortuitous Event, the information system does not work on the day of the AUCTION, contingency procedures will be used,
such as, for example:

a. For uploading information: the physical submission of documents that must be registered.

b. For the AWARDING process: the use of a macro in Excel.

In any case, the UPME may temporarily and discretionally suspend the AUCTION until the contingency that occurred with the INFORMATION TECHNOLOGY PLATFORM is solved, without such suspension exceeding the maximum term established in Article 2 of RESOLUTION MME 40591 OF 2019.

17 FORMS FOR CLPE AUCTION No. 02 - 2019 (Appendix No. 3)

- FORM No. 1 Letter of submission of the prequalification documents of ENVELOPE No. 1 of GENERATORS (it includes statements).
- FORM No. 2 Letter of submission of the PREQUALIFICATION documents of ENVELOPE No. 1 of DISTRIBUTORS (it includes statements).
- FORM No. 3.A BID BOND of the PROPOSAL for PARTICIPATING GENERATORS.
- FORM No. 3.B BID BOND of the PROPOSAL for PARTICIPATING DISTRIBUTORS.
- FORM No. 3.C BID BOND (Standby Letter of Credit) for PARTICIPATING GENERATORS.
- FORM No. 3.D BID BOND (Standby Letter of Credit) for PARTICIPATING DISTRIBUTORS.
- FORM No. 3.E BID BOND: Guarantee Certificate granted by BBVA Asset Management S.A. Sociedad Fiduciara S.A. in favor of the Mining and Energy Planning Unit.
- FORM No. 4 Affidavit of Financial Link for PARTICIPATING GENERATORS

18 LIST OF ANNEXES

Annex No. 1: "AVERAGE DAILY COMMERCIAL DEMAND CALCULATED FOR EACH TRADE AGENT."
Annex No. 2: "PLANT FACTORS PER TECHNOLOGY FOR AVERAGE ENERGY CALCULATION."
Annex No. 3: "FORMS FOR CLPE AUCTION No. 02 - 2019"
Annex No. 4: "DRAFT OF THE AGREEMENT"