Advancing Renewable Energy through a Technology-Enabled COMPETITIVE SELECTION PROCESS

DIVINA B. CHINGCUANCO
Chief of Party
USAID Energy Secure Philippines
GOAL:

Enhance energy reliability & security given a unified power system
OBJECTIVES:

- Improving electric utility performance
- Increasing deployment of advanced energy sources and systems
- Enhancing competition in the power sector
500 MW
Additional Generation Capacity

$750 M
Private sector engagement

$7.5 M
Grants Under Contract
RESOLUTION NO. 12, SERIES OF 2015

A RESOLUTION DIRECTING ALL DISTRIBUTION UTILITIES (DUs) TO CONDUCT A COMPETITIVE SELECTION PROCESS (CSP) IN THE PROCUREMENT OF THEIR SUPPLY TO THE CAPTIVE MARKET

WHEREAS, under Section 40 (x) of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA) and Rule 11, Section 5 of its Implementing Rules and Regulations (IRR) the Energy Regulatory Commission (ERC) is mandated to review the bilateral power supply contracts entered into by distribution utilities (DUs) whose markets have not reached household demand level;

WHEREAS, under Section 25 of the EPIRA and Rule 5, Section 4 (e) of its IRR, the ERC is mandated to regulate the retail rates charged by DUs for the supply of electricity to their captive market based on the principle of full recovery of prudent and reasonable economic costs incurred, or such other principles that will promote efficiency as may be determined by the ERC;

WHEREAS, on February 10, 2013, the ERC issued a Notice in ERC Case No. 2013-025 RM, entitled "In the Matter of the Propagation of the Rates Governing the Execution, Review and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market" (PSA Rules), which was posted on the ERC’s website, directing all interested parties to submit their respective comments on the draft of the PSA Rules, not later than March 22, 2013;

WHEREAS, on various dates, the ERC received comments on the draft of the PSA Rules from interested parties, namely: (a) Cagayan Electric Power and Light Co., Inc. (CEPALCO); (b) Vedenan Electric Company, Inc. (VEDCO); (c) Queen Electric Power (Philippines) Ltd. Co., (QPLC); (d) Power Source Philippines, Inc. (PSP); (e) National Grid Corporation of the Philippines (NGCP); (f) Philippine Independent Power Producers Association, Inc. (PIPPA); (g) Next Power Consortium, Inc.; (h) SN Abellon Power Group (SNAPG); (i) Aboitiz Power Corporation (APC); (j) Philippine

ADVISORY

TO: ALL DISTRIBUTION UTILITIES

FROM: SECRETARY RAFAEL P. M. LOTILLA

SUBJECT: PROVIDING CLARIFICATION ON THE IMPLEMENTATION OF COMPETITIVE SELECTION PROCESS PRESCRIBED UNDER DEPARTMENT CIRCULAR NO. DC2021-09-0020, AS AMENDED AND SUPPLEMENTED BY DEPARTMENT CIRCULAR NO. DC2021-09-0020

DATE: 22 September 2022

To clarify the implementation of Section 8 of Department of Energy (DOE) Department Circular (DC) No. DC2021-09-0020, as amended and supplemented in Section 7 of DC No. DC2021-09-0030 (CSP Policy), and in consideration of the powers and functions of the DOE and the Energy Regulatory Commission (ERC) under Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001", the DOE hereby issues this Advisory to guide all Distribution Utilities (DUs) in the conduct of Competitive Selection Process (CSP) for the procurement of their power supply for their captive customers.

1. In line with Section 8.2 of DC2021-09-0030, the DOE, the National Electrification Administration (NEA) and all DUs shall have the following responsibilities:

1.1. All DUs, through their Third-Party Bids and Awards Committee (TPBAC), Joint TPBAC, and Third-Party Auditor, shall prepare the Terms of Reference (TOR), among others, for the conduct of CSP in procuring their power supply requirements. The NEA shall continue to guide and assist the Electric Cooperatives (ECs) in complying with this Advisory and the CSP Policy.


ADVISORY

TO : ALL DISTRIBUTION UTILITIES
NATIONAL ELECTRIFICATION ADMINISTRATION
ENERGY REGULATORY COMMISSION

FROM : SECRETARY RAPHAEL P. M. LOTILLA

SUBJECT : PROVIDING CLARIFICATION ON THE IMPLEMENTATION OF COMPETITIVE SELECTION PROCESS AS PRESCRIBED UNDER DEPARTMENT CIRCULAR NO. DC-2019-02-0030, AS AMENDED AND SUPPLEMENTED BY DEPARTMENT CIRCULAR NO. DC-2021-09-0030

DATE : 23 September 2022

To clarify the implementation of Section 8 of Department of Energy’s Department Circular (DC) No. DC-2019-02-0030, as amended and supplemented in Section 7 of DC No. DC-2021-09-0030 (CSP Policy), and in consideration of the powers and functions of the DOE and the Energy Regulatory Commission (ERC) under Republic Act No. 9136 or the “Electric Power Industry Reform Act of 2001,” the DOE hereby issues this Advisory to guide all Distribution Utilities (DU’s) in the conduct of Competitive Selection Process (CSP) for the procurement of their power supply for their captive customers.

1. In line with Section 8.2 of DC-2021-09-0030, the DOE, the National Electrification Administration (NEA) and all DUs shall have the following responsibilities:

1.1. All DUs, through their Third-Party Bills and Awards Committee (TPBAC), Joint TPBAC, and Third-Party Auditor, shall prepare the Terms of Reference (TOR) among others, for the conduct of CSP in procuring their power supply requirements. The NEA shall continue to guide and assist the Electric Cooperatives (ECs) in complying with this Advisory and the CSP Policy.

Providing Clarification on the Implementation of Competitive Selection Process
A Resolution Directing All Distribution to Conduct a Competitive Selection Process in the Procurement of their Supply to the Captive Market
Supreme Court orders competitive selection process on all power supply agreements on or after June 30, 2015
GREEN ENERGY AUCTION PROGRAM (GEAP)
GEAP 1
2022

1866 MW
RE Capacity

$ 2 Billion
Private Investments

GREEN ENERGY AUCTION

BID
GEAP 2
2023

11.6 GW
RE Capacity

For Green Energy Auction
Around PhP270.8 billion worth of renewable energy (RE) investments is expected in the country as the Department of Energy (DOE) has increased the utilization of RE for on-grid areas under the Renewable Portfolio Standards (RPS) from one percent to 2.52%
COMPETITIVE RETAIL ELECTRICITY MARKET
System Monitoring Platform

- Digitize the registration and report submission processes
- Assist the retail market participants to comply with ERC-approved procedures
- Monitor the compliance of the Retail Electricity Suppliers (RESs) through a user-friendly dashboard
- Feature a RES Scorecard for consumers to rate respective suppliers' performance
RETAIL ELECTRICITY SUPPLIER (RES) SCORECARD

Are you a contestable customer?

End-users which have monthly average peak demand for the past 12 months of at least 500kW shall be qualified to become part of the contestable market as contestable customers.

If you qualify to become a contestable customer or if you are already registered as a contestable customer, you may participate in this scorecard by entering your email address, full name, and current RES below.

- Enter your email address
- Enter your full name or company name
- Current RES

☐ I understand that any information given by me in the survey may be used in future reports and presentations.

☒ I understand that the personal data, which links me to this link, will be kept in accordance with data protection regulations and will not be disclosed.