



**RETAIL ELECTRICITY
SUPPLIERS ASSOCIATION**

OUTLINE

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 - RCOA Process
 - RES Operations in the Philippine Power Sector
- **RCOA Statistics**
 - Initial RCOA Operation
 - RCOA as of 31 May 2021
 - 2020 Meralco Rate vs RES Published Rate
- **RESA Overview**
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Background on RCOA



BACKGROUND ON RCOA

- Open Access is the last major feature of the EPIRA.
- Objective is to promote efficiency and open competition for end-users in the procurement of generation supply
- Initial implementation started in June 26, 2013 with around 29% of the total contestable market participating



RCOA Process

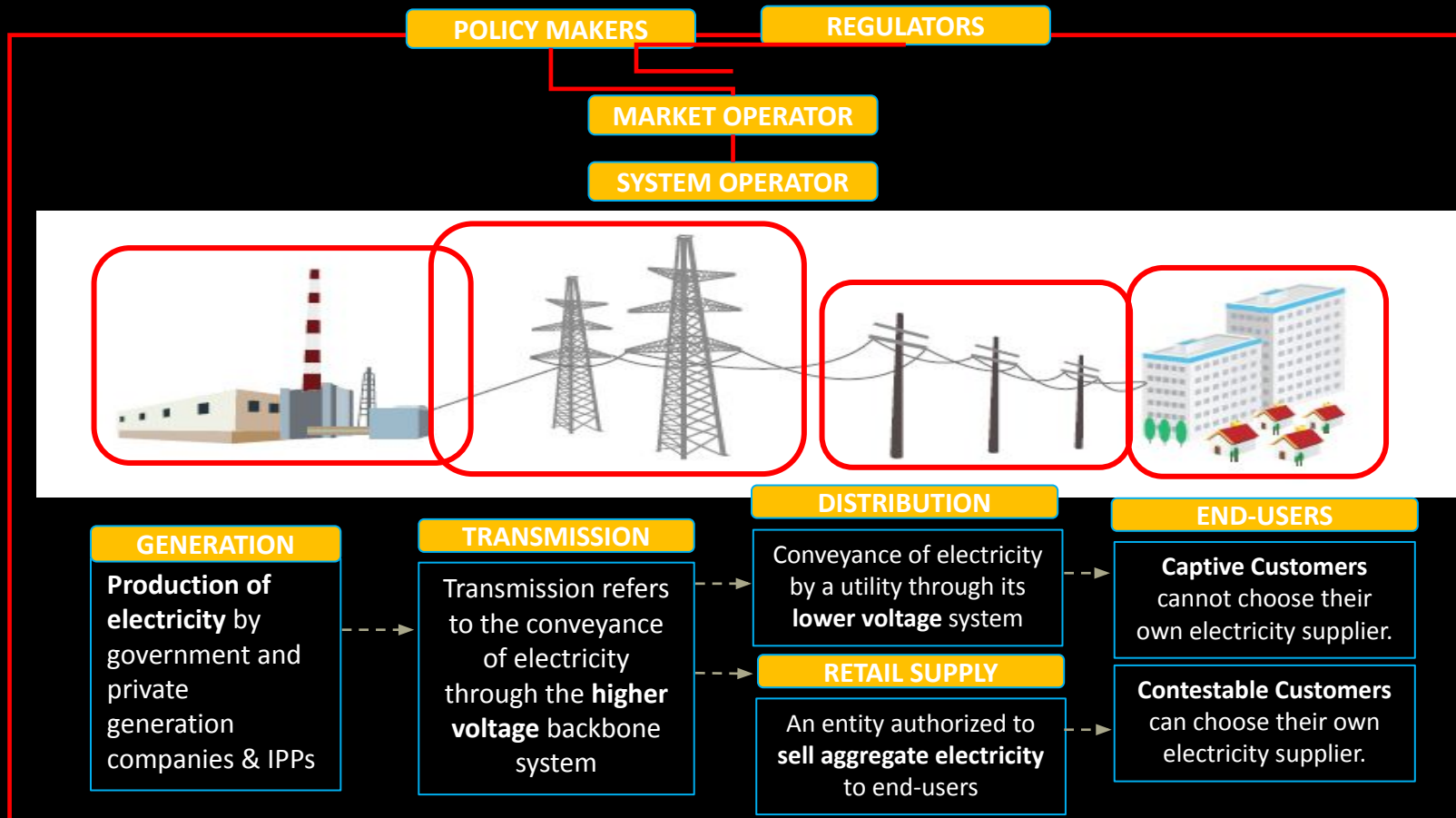
- An entity called Retail Electricity Supplier (RES) is introduced as the point entity to operate in the electricity supply segment.
- Transactions between the DU, Market and Generators are handled by the RES company serving the Contestable Customer
- An RES acts as collecting entity for service providers of end-user

**Retail Electricity
Supplier**



**Contestable
Customer**

Philippine Power Sector



THE CONTESTABLE CUSTOMER



End-user that belongs to the Contestable Market under The RCOA

THE RETAIL ELECTRICITY SUPPLIER



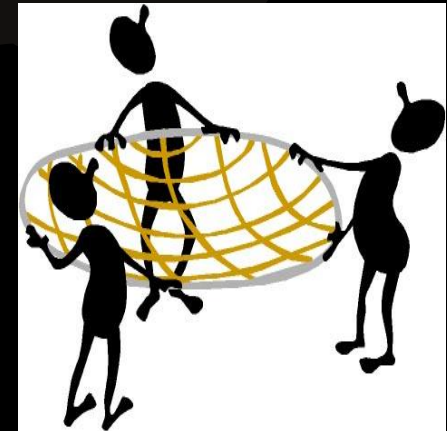
A Retail Electricity Supplier (RES) is a person or an entity authorized by the ERC to sell, broker, market or aggregate electricity to end-users in the Contestable Market. (46 Licensed RES)

THE LOCAL RETAIL ELECTRICITY SUPPLIER



The business segment of an Electricity Distribution Utility entity catering to the Contestable Market only within its franchise area. (Numbering 25 Authorized LRES)

THE SUPPLIER OF LAST RESORT



The business segment of an Electricity Distribution Utility entity catering to the Contestable Market only within its franchise area.



RCOA Statistics



Initial RCOA Operation*

CONTESTABLE CUSTOMER MARKET				
	LUZON		VISAYAS	
	NO. OF CUSTOMERS	DEMAND MW	NO. OF CUSTOMERS	DEMAND MW
MARKET	778	2,575	110	143
CONTRACTED	227	797		
%	29	31		
LICENSED RES				17
LOCAL RES		21 (14 Luzon and 7 Visayas)		
LICENSED RES WITH CONTRACTS				12

*Source: ERC 2014 RCOA Report

RCOA as of 31 May 2021*

Customer Classification	No. of Contestable Customers	Switched to RES	Remains Captive
Phase I (1MW and above)	1,468	1,171 (79.77%)	297 (20.23%)
Phase II (750kW to 999kW)	662	399 (60.27%)	263 (39.73%)
Phase III (500kW to 749kW)	792	89 (11.24%)	703 (88.76%)
Total	2,922	1,659 (56.78%)	1,263 (43.22%)

Total System Peak Demand, MW **13,186**

Share in Demand of CCs **36.09%**

Licensed Retail Electricity Suppliers (RES) **46**

Authorized Local RES **25**

*Source: ERC CREM Monthly Statistical Data as of May 2021

RCOA as of 31 May 2021 (Demand Share)*

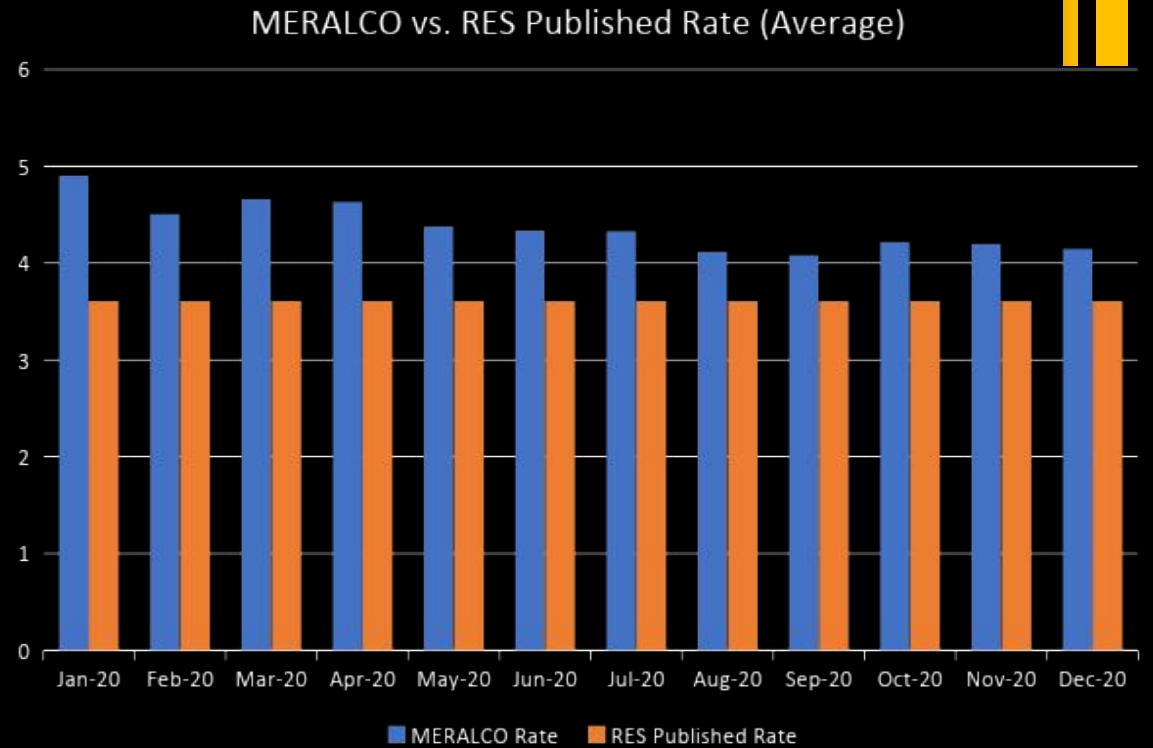
Customer Classification	Actual Demand of CCs	Switched to RES (MW)	Remains Captive (MW)
Phase I (1MW and above)	3,860.13	3,176.49 (82.29%)	683.64 (17.71%)
Phase II (750kW to 999kW)	467.04	341.40 (73.10%)	125.64 (26.90%)
Phase III (500kW to 749kW)	431.83	43.93 (10.17%)	387.90 (89.83%)
Total	4,759	3,561.82 (74.84%)	1,197.18 (25.16%)

Total System Peak Demand, MW	13,186
Share in Demand of Switched CCs	27.01%
Share in Demand of Captive CCs	9.08%

*Source: ERC CREM Monthly Statistical Data as of May 2021

2020 Meralco Rate vs RES Rate*

Month	MERALCO Rate	RES Published Rate	% Difference
Jan-20	4.9039	3.61	-26%
Feb-20	4.509	3.61	-20%
Mar-20	4.6632	3.61	-23%
Apr-20	4.6385	3.61	-22%
May-20	4.3848	3.61	-18%
Jun-20	4.3413	3.61	-17%
Jul-20	4.3344	3.61	-17%
Aug-20	4.1241	3.61	-12%
Sep-20	4.086	3.61	-12%
Oct-20	4.2233	3.61	-15%
Nov-20	4.2018	3.61	-14%
Dec-20	4.1516	3.61	-13%
Average	4.3802	3.61	-17%



*Sources: ERC CREM Monthly Statistical Data as of May 2021
<https://company.meralco.com.ph/news-and-advisories/rates-archives>



**Retail Electricity
Suppliers Association
of the Philippines, Inc.
(RESA)**



WHO WE ARE

- Non-profit, non-government organization that caters to the needs of suppliers, end-users and other players in the Philippine power industry
- Aims to be a prime mover in setting high industry standards for service and facilities for retail electricity customers
- Incorporated on January 15, 2010 with its founding members: Aboitiz Energy Solutions, Inc., Masinloc Power Partners Co. Ltd., Cabanatuan Electric Corporation, GNPowder Ltd.Co., Premier Energy Resources Corp., TeaM Philippines Energy Corp., Trans-Asia Oil and Energy Development Corp., Adventenergy, Inc., and FirstGen Energy Solutions
- Currently has thirty-four (34) active member companies

RESA Membership

- Aboitiz Energy Solutions, Inc.
- AC Energy and Infrastructure Corporation
- AC Energy Corporation
- Adventenergy, Inc.
- Bac-man Geothermal Inc
- Citicore Energy Solutions, Inc
- Clark Electric Distribution Corporation Local RES
- Corenergy, Inc
- DirectPower Services, Inc.
- Ecozone Power Management, Inc.
- FDC Retail Electricity Sales Corporation
- Ferro Energy Inc.
- First Gen Energy Solutions, Inc
- Global Energy Supply Corporation
- GNPower Ltd. Co.
- Green Core Geothermal, Inc
- Kratos RES, Inc.



Areas for Administrative Support



Areas for Administrative Support

- Harmonization of ERC and DOE Issuances on RCOA Implementation
 - Resolve legal challenges on Contestable Customer guidelines for mandatory and voluntary transition
 - Resolution of legal challenges involving RES Licensing Guidelines in line with the upcoming bulk expiration of existing RES Licenses
 - Aggregation guidelines to allow more consumers to benefit on competitive prices and terms of RCOA
- Resolution of Tax Guidelines
 - Recognition of Pass-thru charges
 - Recognition of RE Transactions
 - Clear Classification of an RES in the BIR
 - Proper application of taxable charges in an RES transaction



End of Presentation