

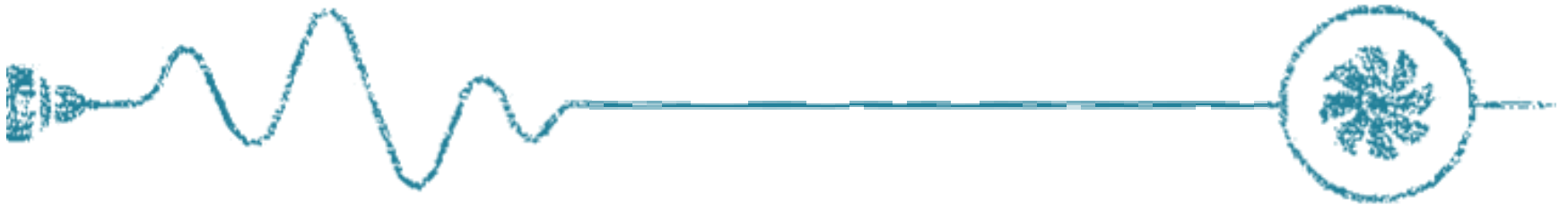
Energy Regulatory Commission's Regulatory Framework

Gloria Victoria C. Yap-Taruc

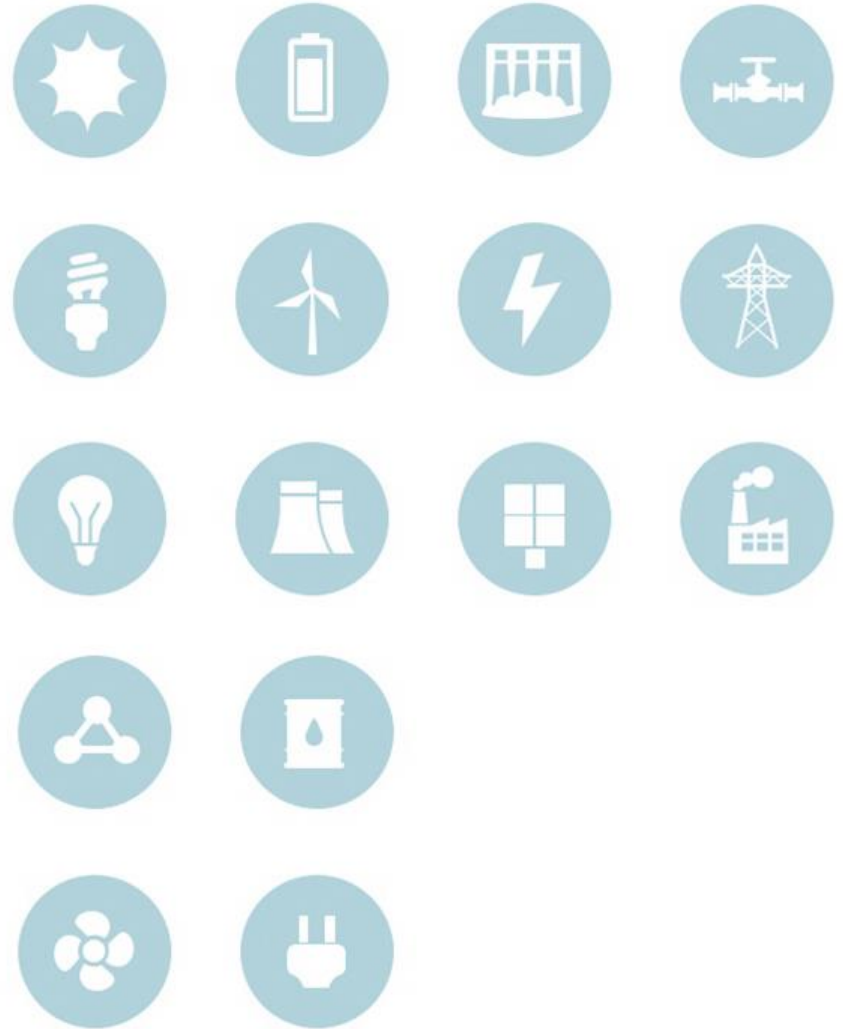
6 December 2016

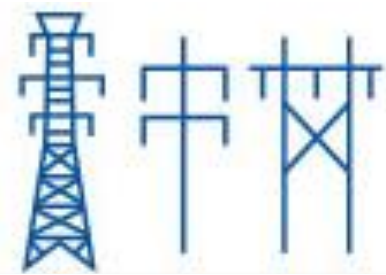
Outline

- Industry Structure prior to Electric Power Industry Reform Act (EPIRA)
- Regulatory Framework under EPIRA
- Government Regulation
- Renewable Energy Act



**Industry Structure
Prior to Electric Power
Industry Reform Act
(EPIRA)**





Generation

Transmission

Distribution

Consumer

Owned and operated by National Power Corporation (NPC)

Owned and operated by National Power Corporation (NPC)

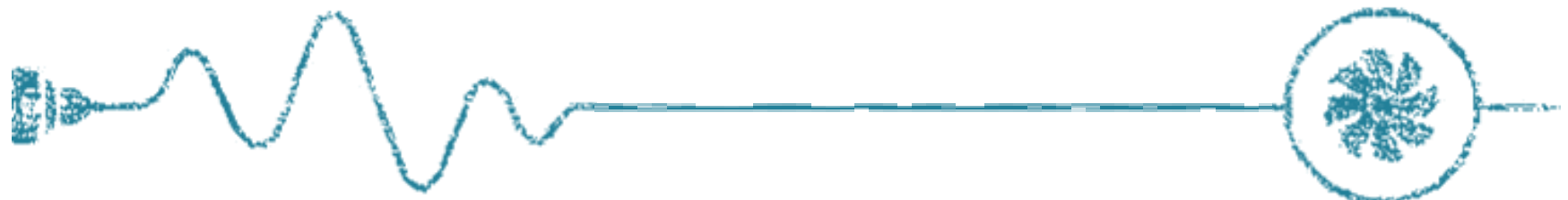
Private Distribution Utility or Electric Cooperative

Captive Customers

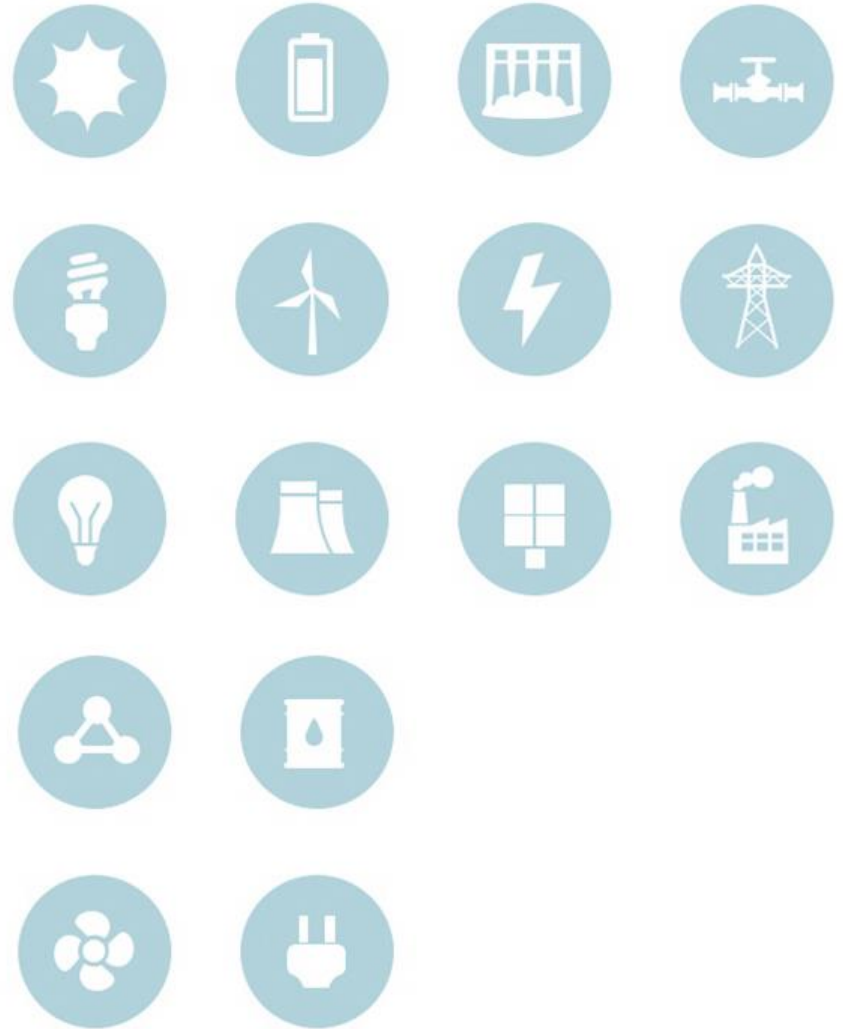
Rates are fixed by NPC subject to review of PSC

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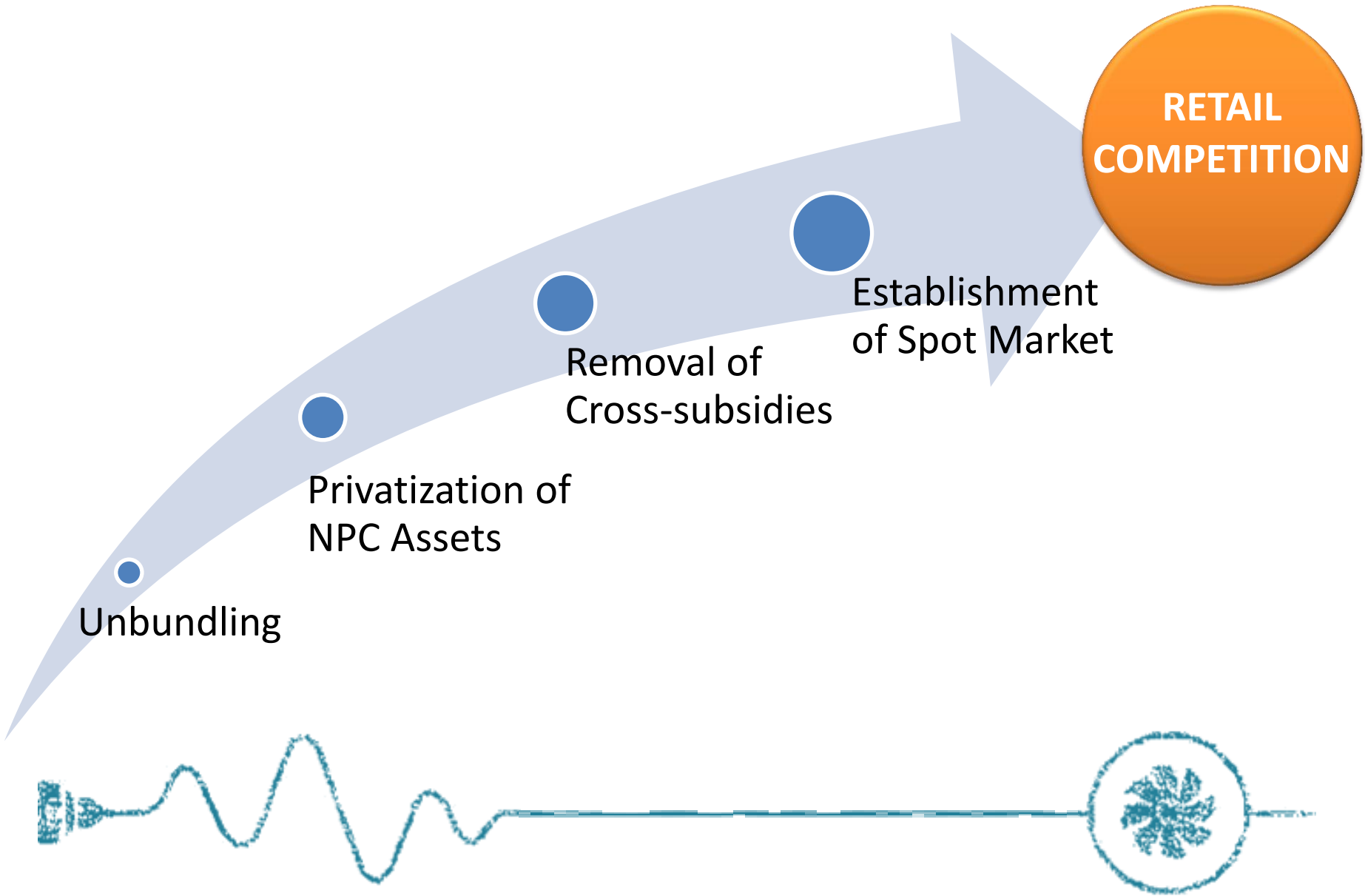
Rates are approved by ERB

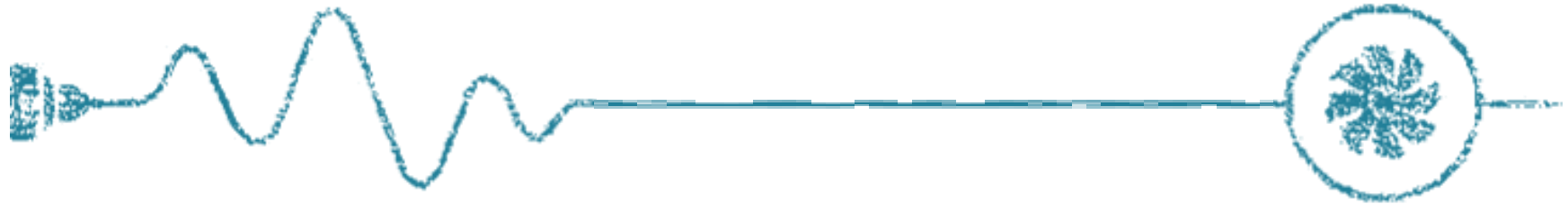
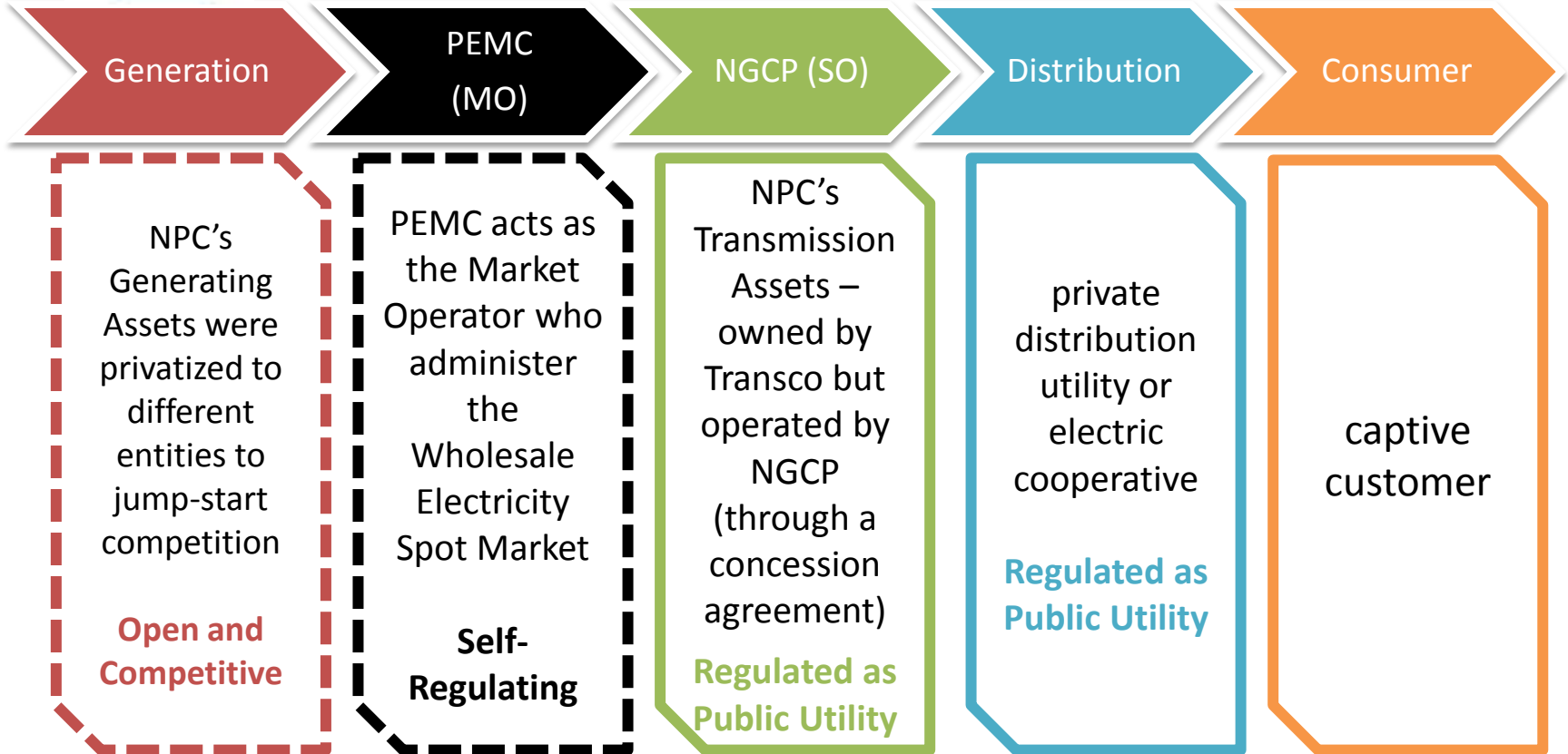


**Regulatory Framework
under
Electric Power Industry
Reform Act (EPIRA)**

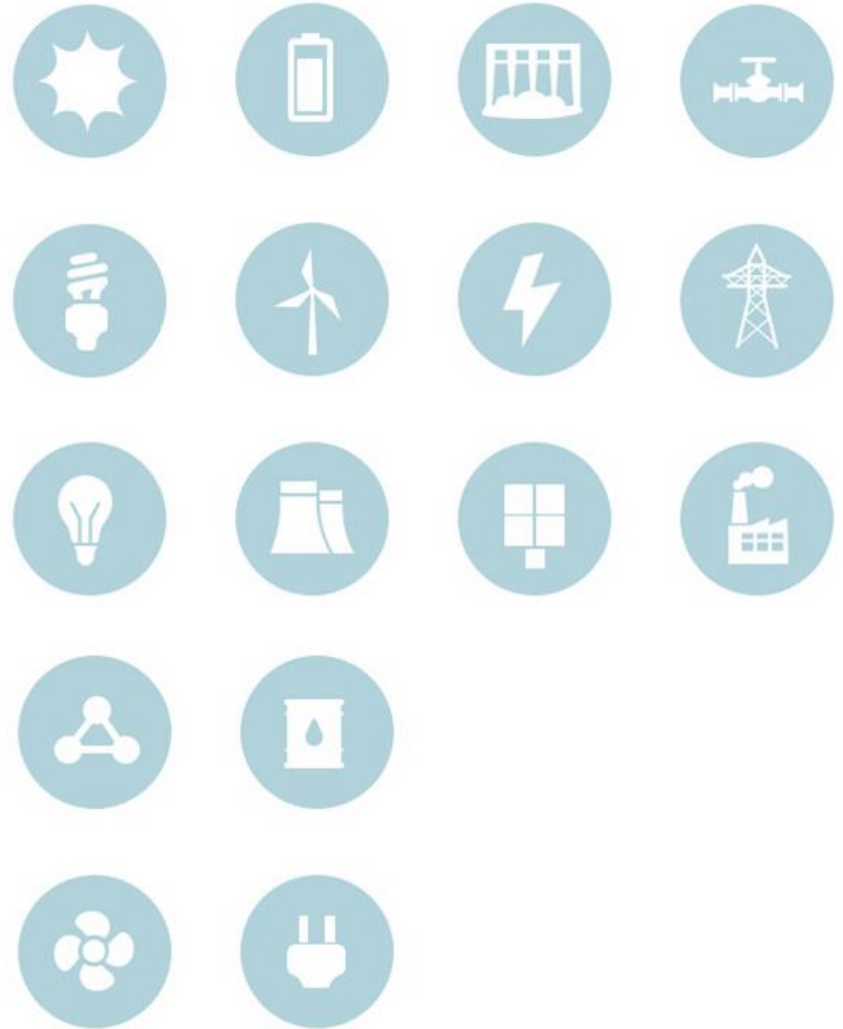


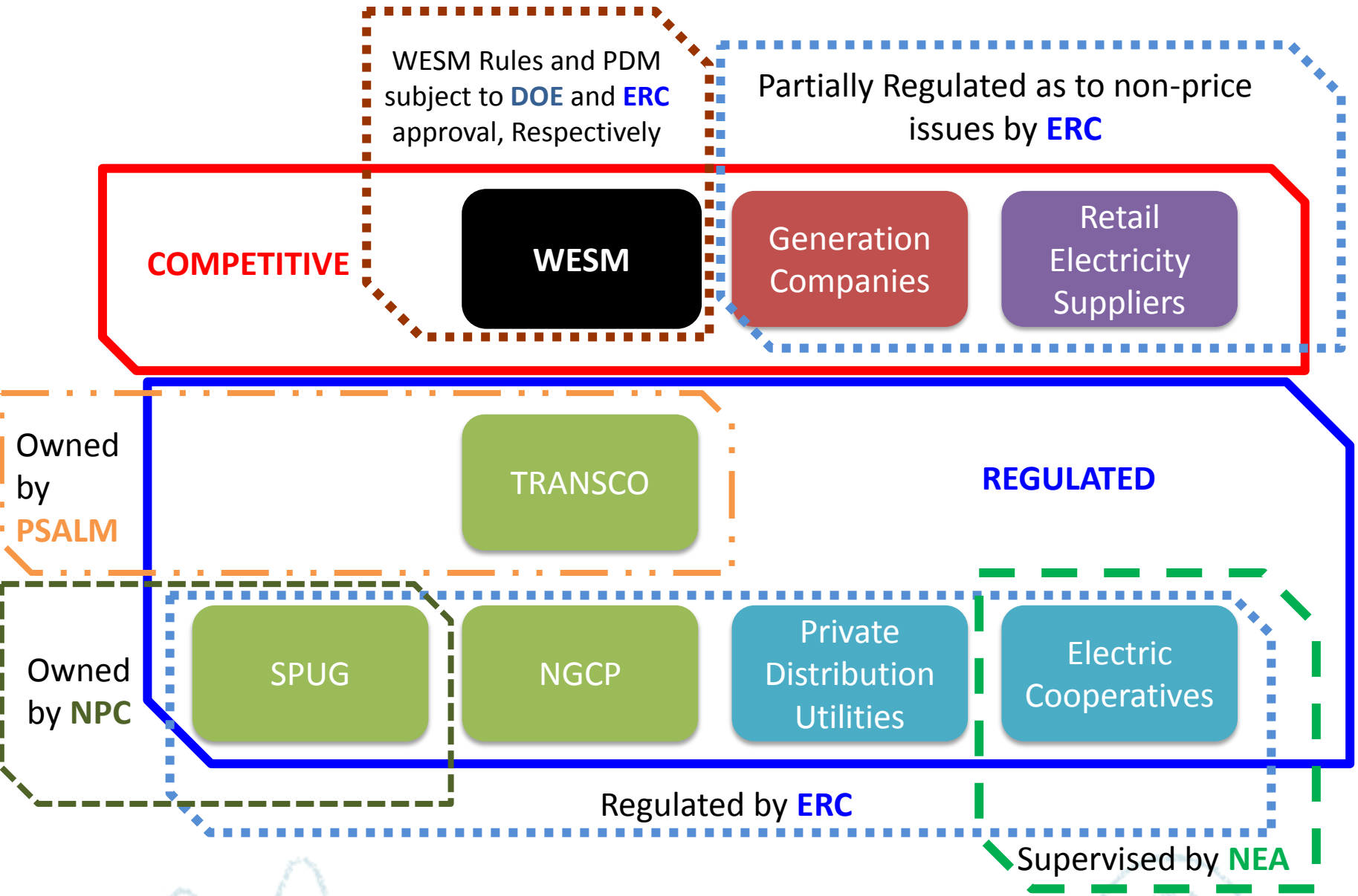
Restructuring under EPIRA was Implemented in Tranches

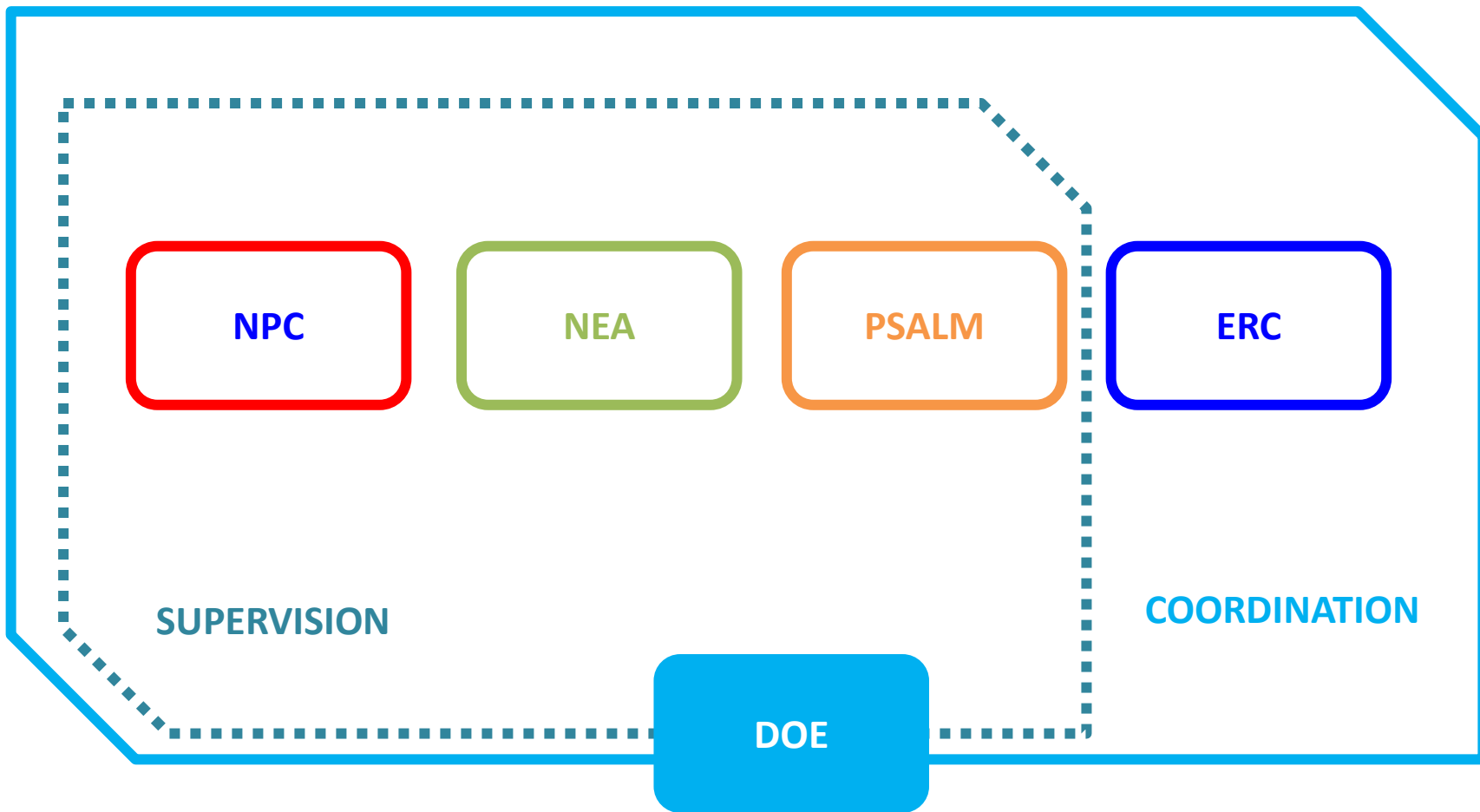




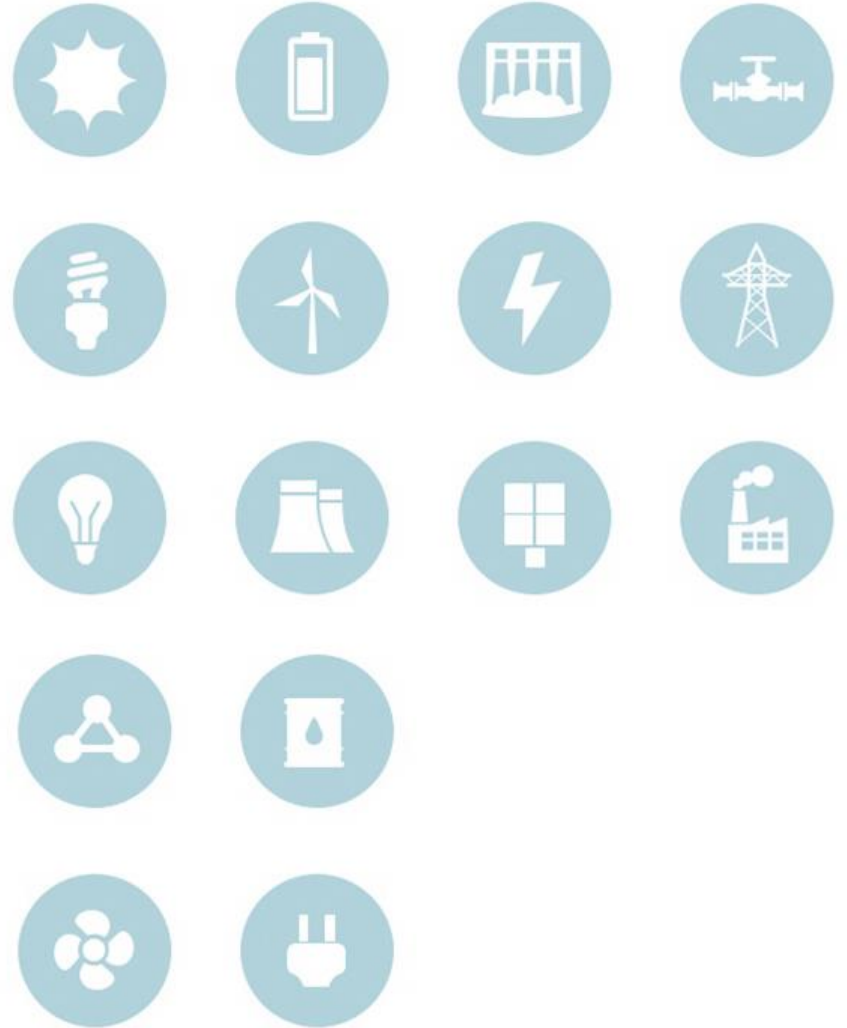
Government Regulation under EPIRA

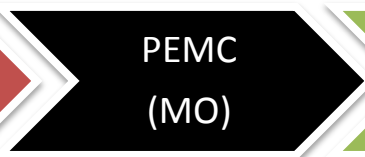
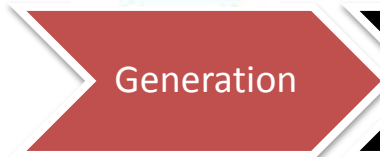






Retail Competition and Open Access (RCOA)





Suppliers of Electricity can be any of the following: (1) generation companies (GenCo); (2) GEnCo affiliated retail suppliers; (3) DU affiliated retail suppliers

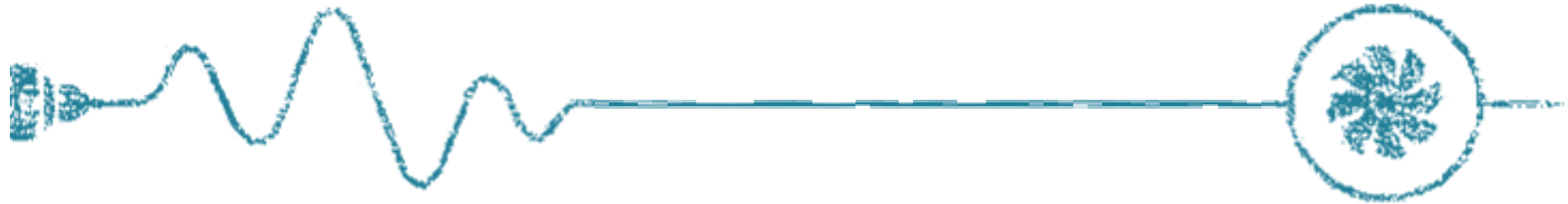
2 Markets: (1) Wholesale Market; and (2) Competitive Retail Electricity Market

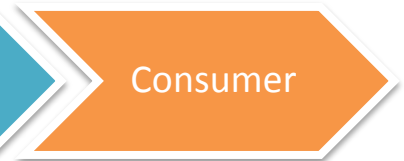
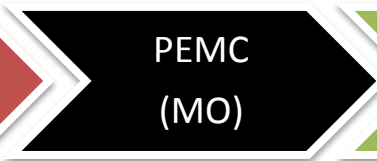
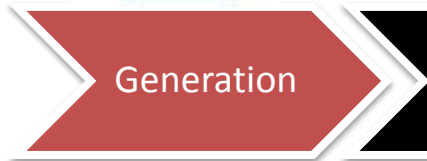
OPEN ACCESS

OPEN ACCESS

captive customer

contestable customer





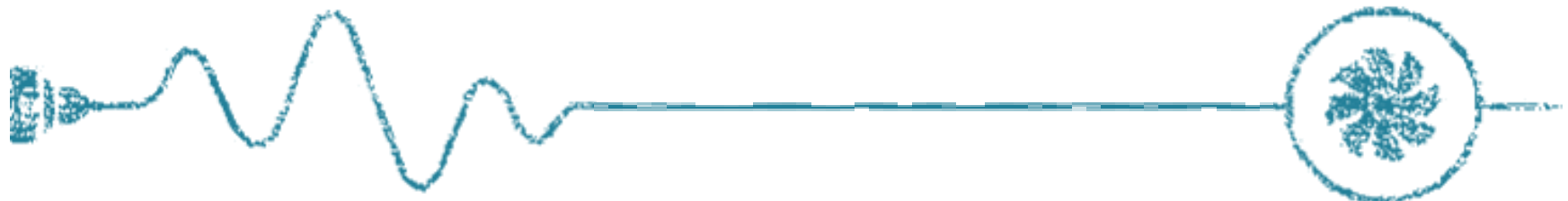
Generally De-regulated but is indirectly regulated with respect to power supply agreements with Distribution Utilities catering to contestable customer.

De-regulated. However, the rules governing the market participants are subject to DOE's approval. On the other hand, the methodology used for prices charged in the market is subject to the regulator's (ERC) approval

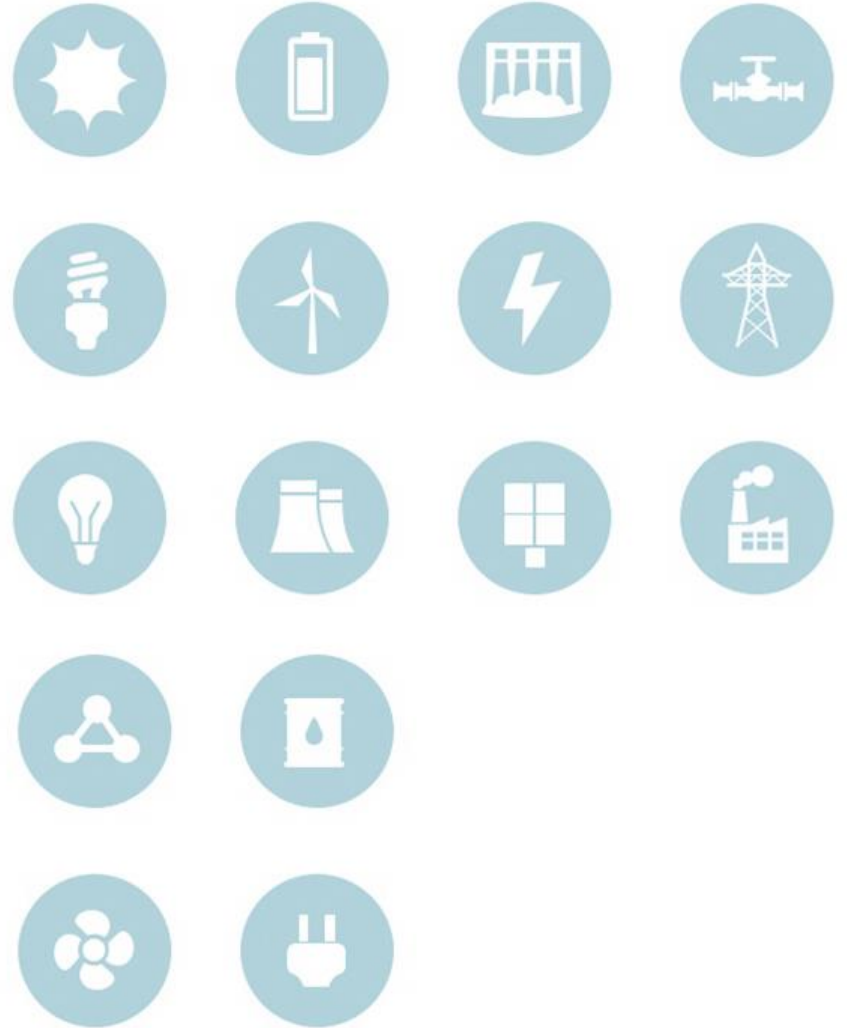
Regulated as Public Utility by Energy Regulatory Commission (ERC)

Regulated as Public Utility by Energy Regulatory Commission (ERC) and National Electrification Administration (NEA)

captive customer
contestable customer

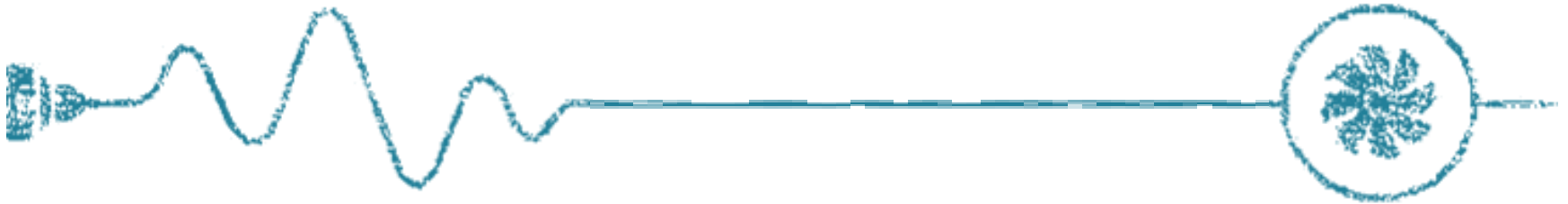


Renewable Energy Act



Salient Provisions of Renewable Energy Act

- Competition between RE and Conventional Power Plants
 - Feed-In Tariff System
 - RE generating units with intermittent RE resources shall be considered "must dispatch" based on available energy and shall enjoy the benefit of priority dispatch.
- Renewable Energy Market
- Net Metering

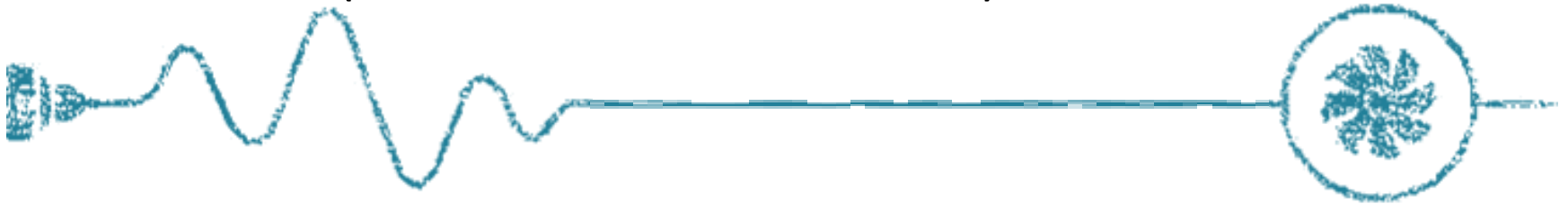


Feed-In Tariff System

Currently, the approved Fit Rate per technology are as follows:

Plant Technology	FiT 1	FiT 2
Hydro	PhP 5.9/kWh	PhP 5.9/kWh
Biomass	PhP 6.63/kWh	PhP 6.63/kWh
Wind	PhP 8.53/kWh	PhP 7.40/kWh (10/6/2016)
Solar	PhP 9.68/kWh.	PhP 8.69/kWh (3/27/2015)

On the other hand, the approved FiT Allowance is PhP 0.1240/kWh (ERC Case No. 2015-216RC)



END OF PRESENTATION

