

GREEN ENERGY AUCTION PROGRAM IN THE PHILIPPINES (GEAP)

MYLENE C. CAPONGCOL

Officer-In-Charge Assistant Secretary

2022 Virtual Energy Investment Forum

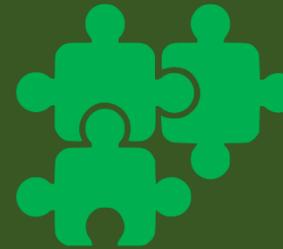
28 October 2022



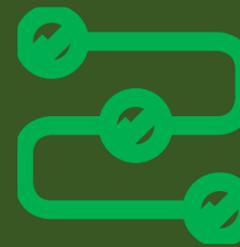
Presentation Outline



GEAP Guidelines



GEAP Components



Auction Process



Other Provisions



Next Steps



Legal Basis



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC 2021- 11-0036

PROVIDING THE REVISED GUIDELINES FOR THE
GREEN ENERGY AUCTION PROGRAM IN THE PHILIPPINES




ALFONSO G. CUSI
Secretary

Issued on NOV 03 2021 at the Department of Energy, Energy
Center, Merritt Road, Fort Bonifacio, Taguig City, Metro Manila.

- Department Circular No. DC2021-11-0036 “Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines” or the “GEAP Guidelines”
- Date Signed: 03 November 2021
- Effectivity Date: 04 December 2021
- Note: Repealed DC2020-07-0017, “Promulgating the Guidelines Governing the Policy for the Conduct of Green Energy Auction (GEA) in the Philippines”



GEAP Purpose and Objectives

Purpose:

- Establish the implementation framework for the GEAP and provide clarity on the roles of implementing agencies/entities
- Support and/or facilitate immediate and timely investments in new or additional RE capacities to ensure provision of adequate supply and competitive rates of electricity in the country

Objectives:

- Ensure transparent and competitive selection of RE facilities to achieve reasonable rates and encourage, as far as practicable, the best RE entrants in the system
- Assist the Mandated Participants* of the RPS Rules to comply with their respective minimum RPS requirements

Note: * - “Mandated Participants” refers to the electric power industry participant/s tasked to contribute to the growth of RE industry, as recommended by NREB.



GEAP Components

Green Energy Tariff:

Provides the price signals on the commercial value of electricity generated from RE facilities resulting from a competitive process, and sets the benchmark price for DUs under the Opt-in Mechanism

Green Energy Auction:

Facilitates the determination of RE facilities that are eligible under the GEAP. The Green Energy Auction shall be administered by the DOE through the Green Energy Auction Committee (GEAC).

GEAR Price shall be determined by ERC under each ARP



GEAP Qualified Suppliers/Offers

RE Developers or Generators registered with the DOE pursuant to the Omnibus RE Guidelines, eligible to participate in the GEA as determined by the GEAC.

RE facilities that were built and will be built after the RE Act, and have no legal impediment i.e., PPA/PSA with DU at the time of the agreed delivery date/s;

The incremental or additional capacity and corresponding power generation brought about by the expansion or upgrading of the legacy plants shall be deemed eligible for RPS compliance by the Mandated Participants.

Geothermal and Impounding Hydro facilities shall be governed by a specific auction policy and guidelines or a separate remuneration package under the GEA.

Other emerging RE technologies may be included in the GEAP and the FIT, consistent with the RE Act, as determined by the DOE.

Legacy RE facilities insofar as the capacities resulting from expansion or upgrading, may be offered under the GEA, However, such capacity has its own (or independent) metering facility.

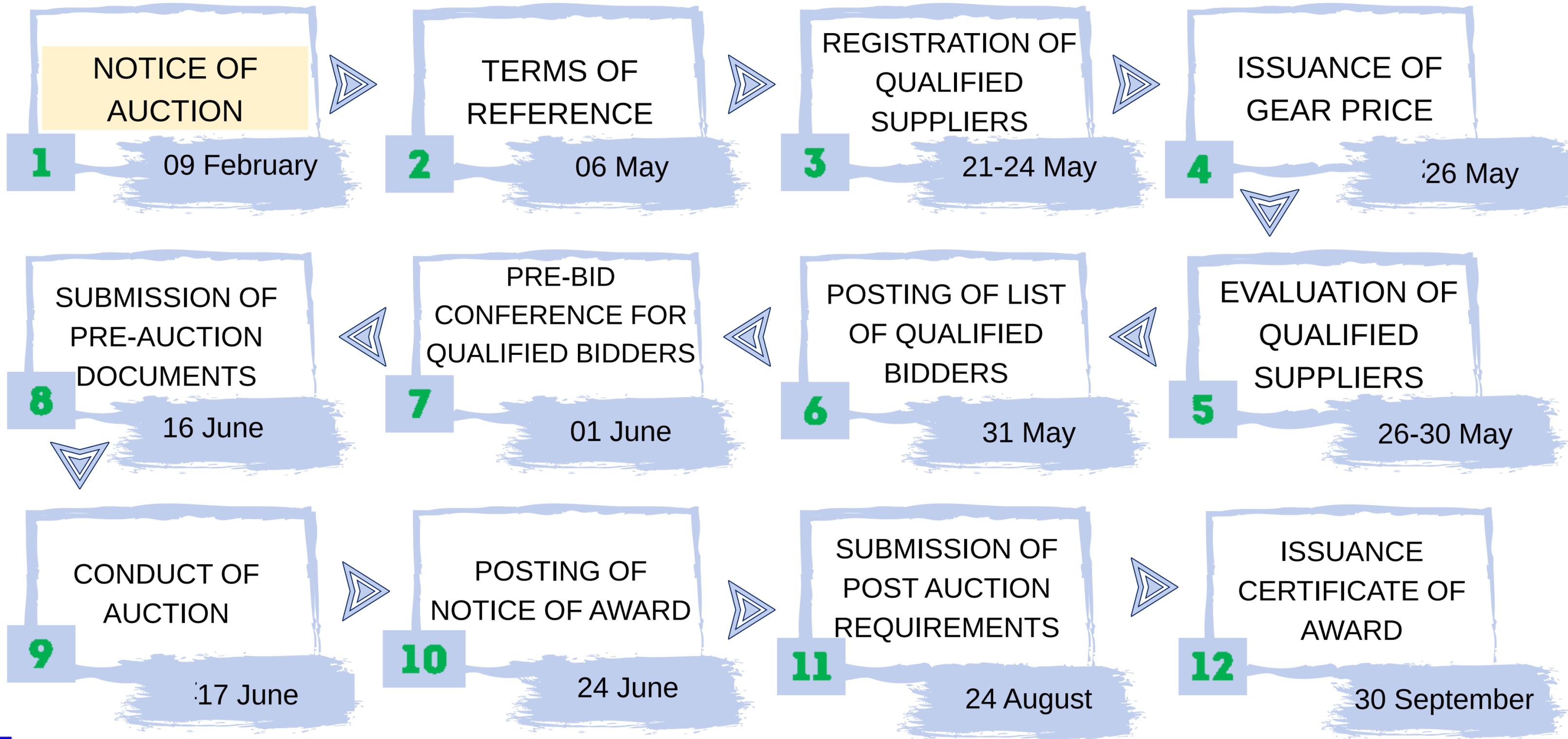


GEAP Other Salient Features

| | | |
|----|---|---|
| 1. | Schedule or Frequency of Auction | Annually or as necessary |
| 2. | Compliance with DOE/ERC Policy/Rules on CSP | Considered and acceptable compliance with the Competitive Selection Process (CSP) Policy, including the Opt-In Mechanism for DUs. |
| 3. | Set Price Cap for CSPs | The GET of the marginal plant per technology shall serve as the price ceiling for the power supply agreement of a DU undertaking a separate CSP for its compliance under the RPS. |
| 4. | Compliance with RPS Mandates | the volume of RE and RECs supplied pursuant to this Circular shall be counted for purposes of compliance by the Mandated Participants with the RPS and shall be distributed, pro rata, among the Mandated Participants based on their payment to the FIT-All. |
| 5. | Compensation/Payment Scheme | Adopted the FIT-All System. |



Highlights of GEA -1



Notice of Auction

| RE Resource | Luzon | Visayas | Mindanao |
|--------------|----------------------|------------|------------|
| | Target Capacity (MW) | | |
| Hydro | 80 | - | 50 |
| Biomass | 60 | 120 | 50 |
| Solar | 900 | 260 | 100 |
| Wind | 360 | 20 | - |
| Total | 1,400 | 400 | 200 |

- NOA was published in the Daily Tribune newspaper on February 9, 2022.
- The timeline in the NOA was revised thru Advisory dated 11 May 2022.



Republic of the Philippines
DEPARTMENT OF ENERGY
 (Kagawaran ng Enerhiya)

NOTICE OF AUCTION

Pursuant to Section 4.12 of the Department Circular No. DC2021-11-0036 entitled, "Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines", the Department of Energy through the Green Energy Auction Committee (GEAC) invites all Qualified Suppliers to participate in the first round of the Green Energy Auction (GEA) for Renewable Energy (RE). The auction shall cover Luzon, Visayas and Mindanao with the following installation targets:

| RE Resource | Luzon | Visayas | Mindanao |
|-------------|----------------------|---------|----------|
| | Target Capacity (MW) | | |
| Hydro | 80 | - | 50 |



Republic of the Philippines
DEPARTMENT OF ENERGY
 (Kagawaran ng Enerhiya)

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ADVISORY

TO : ALL QUALIFIED SUPPLIERS UNDER THE GREEN ENERGY AUCTION PROGRAM

DATE : 11 MAY 2022

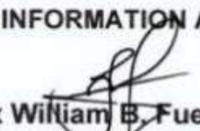
SUBJECT : REVISED TIMELINE OF ACTIVITIES FOR THE FIRST GREEN ENERGY AUCTION (GEA) IN THE PHILIPPINES

Following the posting of the Terms of Reference (TOR) and Auction Round Procedure (ARP) for the First Auction Round (<https://www.doe.gov.ph/geap/tor?withshield=1>) in the DOE website on 06 May 2022, the DOE hereby amends the timeline of activities under the Notice of Auction (<https://www.doe.gov.ph/geap?q=geap>):

| Activities | Date |
|--|----------------------------|
| 1. Release of TOR and ARP | May 06, 2022 |
| 2. Registration Dates of Qualified Suppliers | May 21-24, 2022 |
| 3. Posting of Qualified Bidders | On or before May 31, 2022 |
| 4. Pre-Bid Conference for Qualified Bidders | On or before June 01, 2022 |
| 5. Conduct of Auction | On or before June 17, 2022 |
| 6. Posting of the Notice of Award | On or before June 24, 2022 |

The Pre-Bid Conference and all subsequent activities shall only be conducted upon the release of the Green Energy Auction Reserve (GEAR) Prices by the Energy Regulatory Commission (ERC) on or before May 30, 2022.

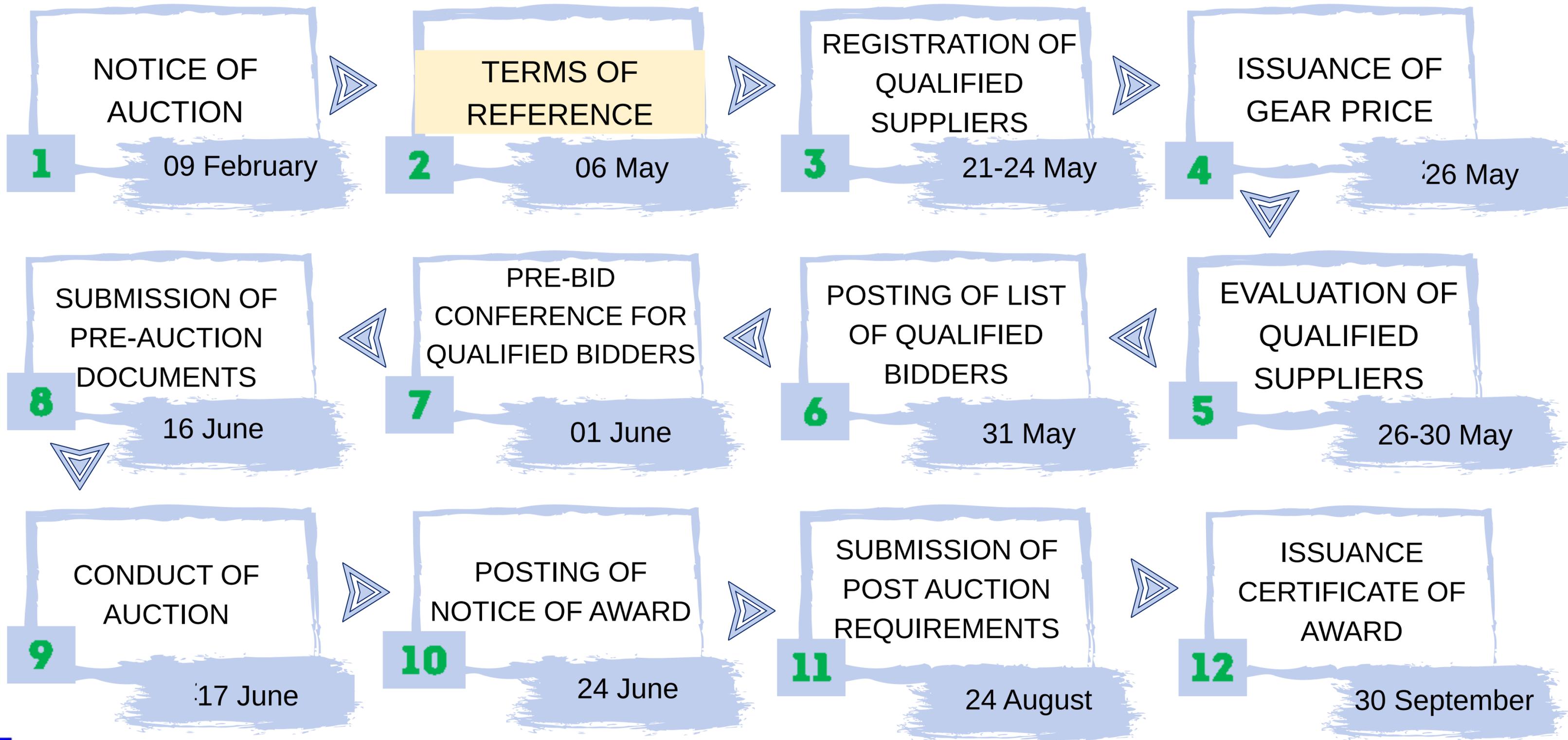
FOR INFORMATION AND GUIDANCE.


Felix William B. Fuentebella
 Senior Undersecretary

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Highlights of GEA -1



Terms of Reference

- Annex A – Auction Design
- Annex B – Bonds
- Annex C – Instruction to Bidders
- Annex D1 – Bidding, Forms & Templates
- Annex D2 – LOI Template
- Annex D3 – AUO Template (No Legal Impediment)
- Annex D4 – Bid Form
- Annex D5 – AOU Template (To Deliver Committed Capacity on Committed Date)

BID BULLETIN 1

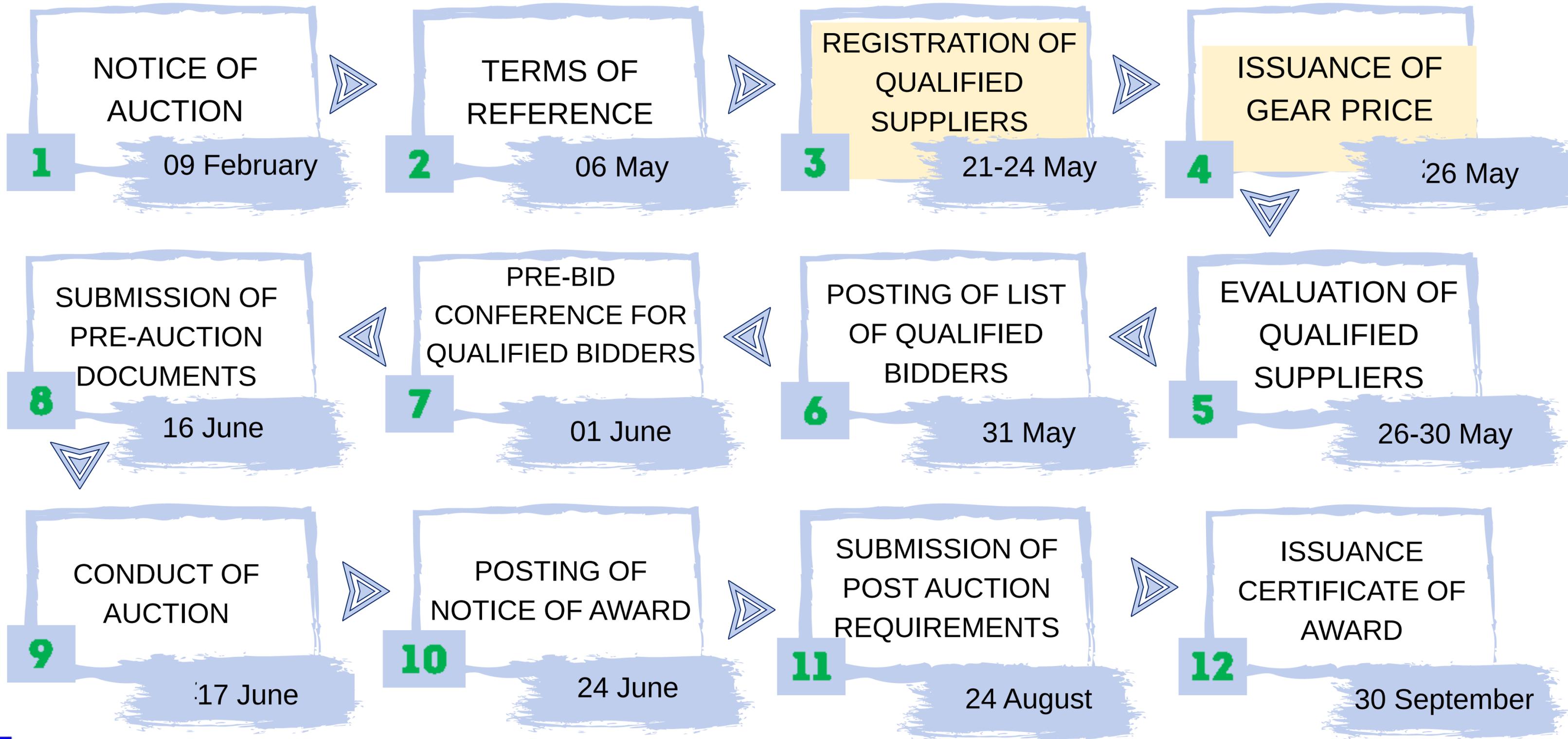
- AOU
- Bid Bond
- Contents on Electronic Bid
- Bid Form
- Performance Bond
- Evaluation of COE-GET
- Marginal Offer
- Delivery Period

BID BULLETIN 2

- Schedule of Auction Proper
- Observers from Qualified Bidders
- Email from Electronic Platform
- Bid Bond
- Performance Bond
- Marginal Offer



Highlights of GEA -1



ERC-Determined Green Energy Auction Reserve (GEAR) Prices

Table 4: ERC-Approved GEAR Prices for the 1st Round

| Renewable Energy Resource | FINAL GEAR Prices (PhP/kWh) |
|---------------------------|-----------------------------|
| Solar | 3.6779 |
| Wind | 6.0584 |
| Biomass | 5.0797 |
| Run-of-River Hydro | 5.4913 |

Republic of the Philippines
ENERGY REGULATORY COMMISSION
 Pasig City

RESOLUTION NO. 02, SERIES OF 2022

A RESOLUTION ADOPTING THE GREEN ENERGY AUCTION RESERVE (GEAR) PRICES FOR THE FIRST ROUND OF AUCTION

Pasig City, 26 May 2022.


AGNES VST DEVANADERA
 Chairperson and CEO




ALEXIS M. LUMBATAN
 Commissioner

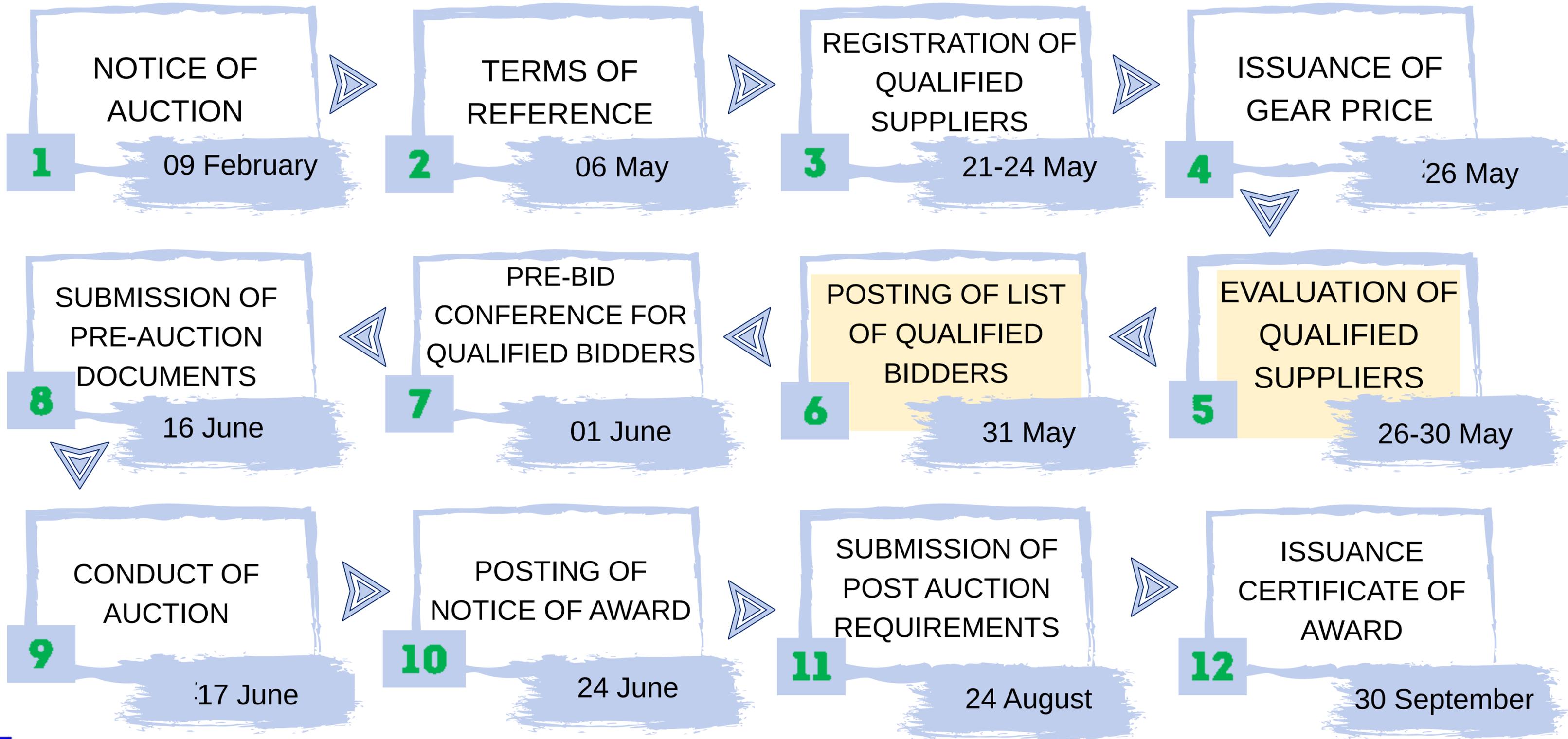

CATHERINE P. MACEDA
 Commissioner


FLORISINDA G. BALDO-DIGAL
 Commissioner


MARKO ROMEO L. FUENTES
 Commissioner



Highlights of GEA -1



List of Qualified Bidders

| RE Resource | No. of Qualified Bidders |
|--------------|--------------------------|
| Hydro | 9 |
| Biomass | 10 |
| Solar | 43 |
| Wind | 14 |
| Total | 76 |



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

ADVISORY NO. 3

TO : ALL QUALIFIED SUPPLIERS UNDER THE GREEN ENERGY AUCTION PROGRAM (GEAP)

DATE : 31 MAY 2022

SUBJECT : LIST OF QUALIFIED BIDDERS AND CONDUCT OF PRE-BID CONFERENCE

In accordance with the applicable Terms of Reference and Auction Round Procedures, the GEA – Bids Evaluation and Awards Committee (GEA-BEAC), with the assistance of the Green Energy Auction Committee – Technical Working Group (GEAC-TWG), conducted the evaluation of registration documents which were submitted by the Qualified Suppliers during the registration period from 21 to 24 May 2022. The List of Qualified Bidders is attached hereto.

The virtual Pre-Bid Conference will be held on June 3, 2022 at 10:00 AM. All qualified suppliers are invited to attend.



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

Furthermore, the Department is addressing the concerns of the applicants in relation to the GEAP.

ADVISORY NO. 4

TO : ALL QUALIFIED SUPPLIERS UNDER THE GREEN ENERGY AUCTION PROGRAM (GEAP)

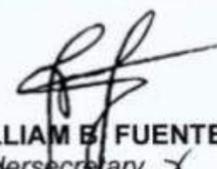
DATE : 03 JUNE 2022

SUBJECT : ADDENDUM TO THE LIST OF QUALIFIED BIDDERS

This refers to the Department's Advisory No. 3 dated 31 May 2022 which included the List of Qualified Bidders.

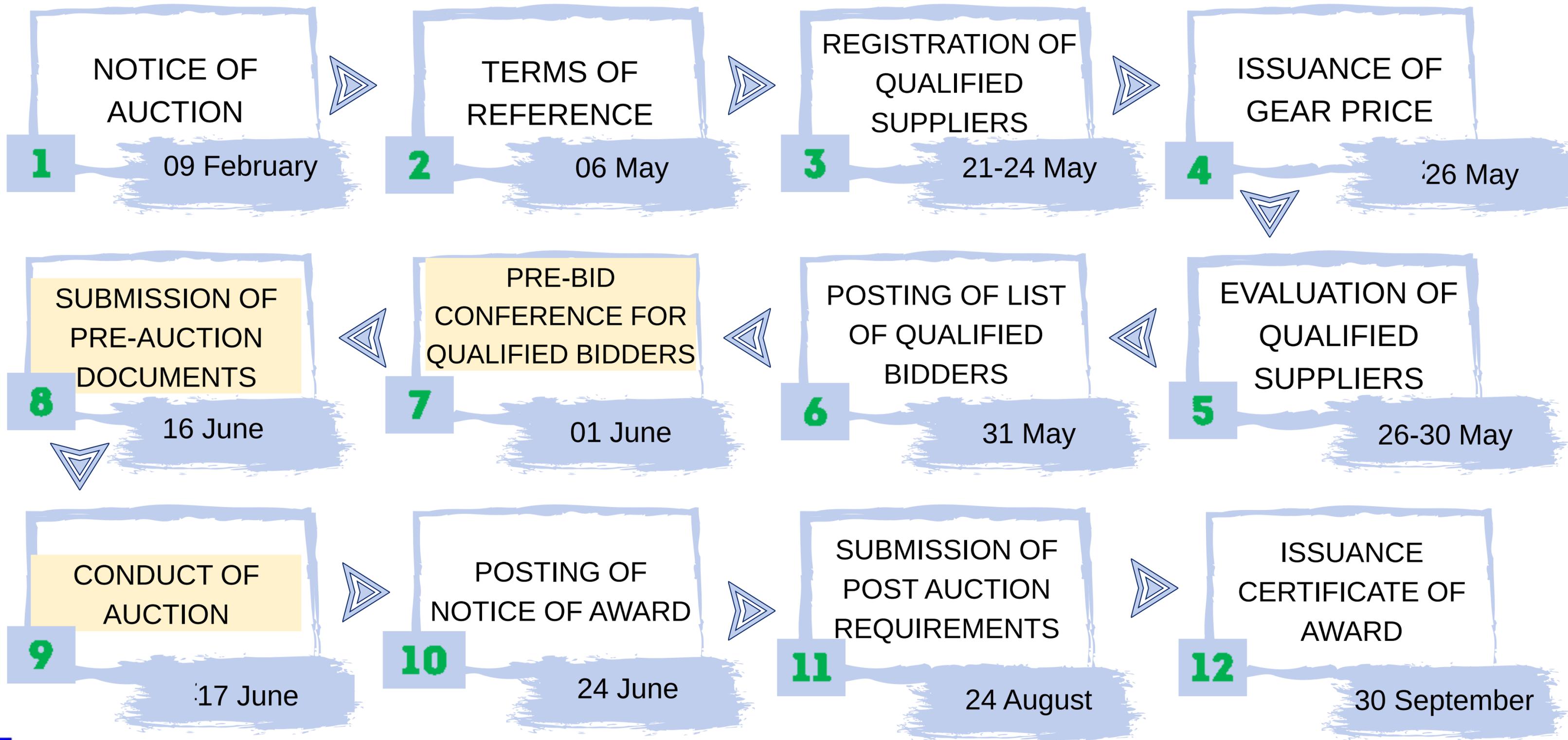
This Advisory is being issued to reflect the corrections made to the List of Qualified Bidders for solar projects in Luzon Grid. Relative thereto, attached to this Advisory is the corrected List of Qualified Bidders.

FOR INFORMATION AND GUIDANCE.

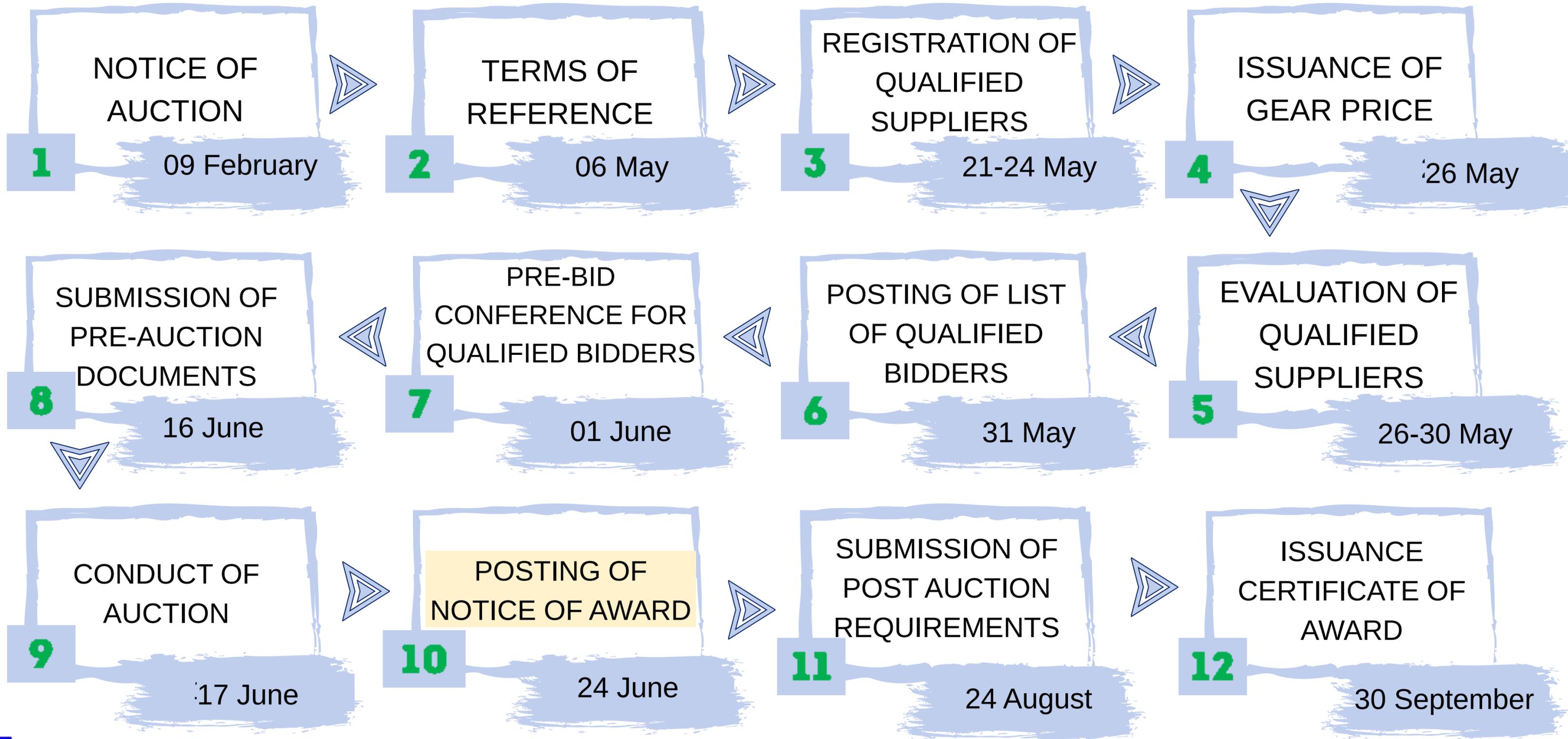

FELIX WILLIAM B. FUENTEBELLA
Senior Undersecretary
Chairperson, GEA-BEAC



Highlights of GEA -1

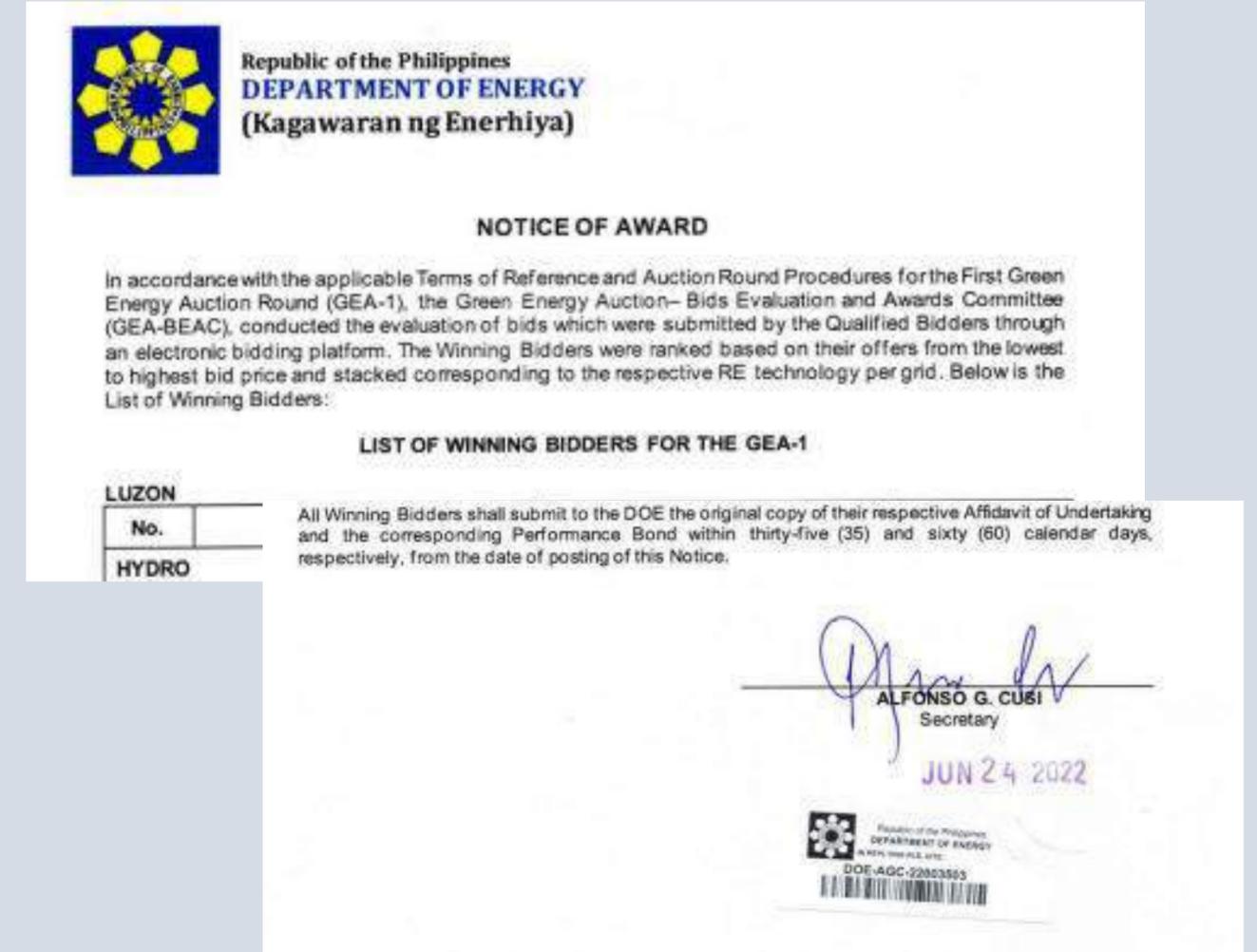


Highlights of GEA -1



Winning Bids/Notices of Award

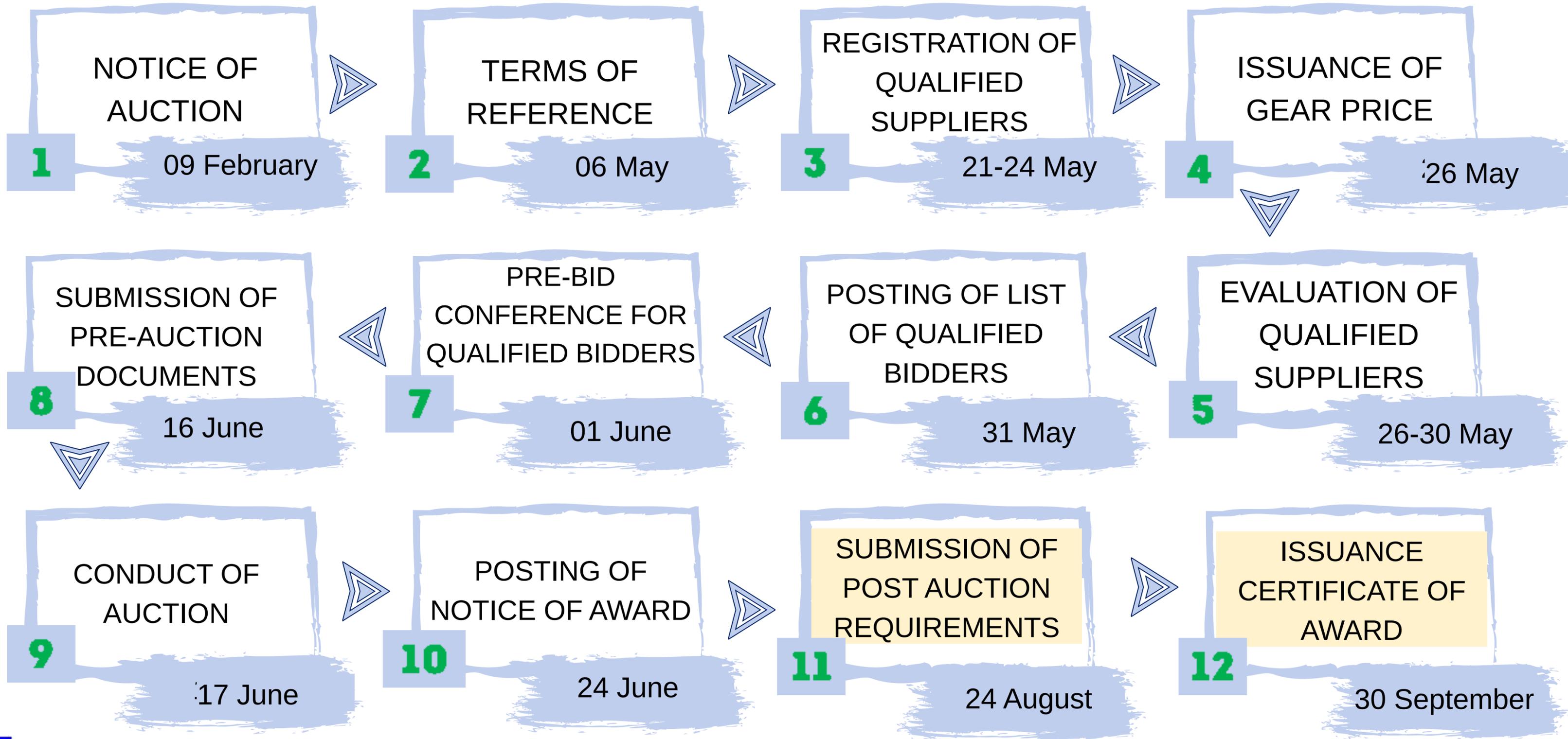
| Technology | Capacity (MW) | | |
|--------------|---------------|-----------------|----------|
| | Luzon | Visayas | Mindanao |
| Hydro | 80.00 | | 19.15 |
| Biomass | | | 3.40 |
| Solar | 1,070.38 | 300.00 | 120.00 |
| Wind | 360.80 | 13.20 | |
| Sub-total | 1,511.18 | 313.20 | 142.55 |
| TOTAL | | 1,966.93 | |



<https://www.doe.gov.ph/geap?q=geap/notice-of-award>



Highlights of GEA -1



Certificates of Award Issued

Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

CERTIFICATE OF AWARD
No. GEA1-_____

This Certificate is awarded to the _____
for winning in the First Round of Green Energy Auction Program (GEA-1)
of the Department of Energy (DOE) for its offered Renewable Energy (RE)
Facility/Project with the following details:

RE Facility/Project Name: _____
Project Location: _____
Service Contract No. _____
Date Issued: _____

_____, as a Winning Bidder in the GEA-1, shall be entitled to a Green Energy Tariff
of PHP _____ per kilowatt-hour for the _____ upon compliance with its
commitment to deliver its offered capacity of _____ MW to the _____ Grid on
_____, subject to the terms and conditions stipulated in the Renewable
Energy Payment Agreement to be executed by _____ with the National
Transmission Corporation.

This Certificate is issued in accordance with the provisions of Department Circular No.
DC2021-11-0036 titled "Providing the Revised Guidelines for the Green Energy
Auction Program in the Philippines" and the Terms of Reference of GEA-1, consistent
with the objectives provided under Republic Act No. 9513 or the Renewable Energy
Act of 2008.

The DOE, in the exercise of its supervisory power, shall have the right to amend, alter,
or revoke this Certificate subject to pertinent rules and regulations.

IN TESTIMONY WHEREOF, the seal of the DOE and the signature of its Secretary
are hereunto affixed.

Given this _____ in Taguig City, Metro Manila, Philippines.


RAPHAEL P.M. LOTILLA
Secretary

SEP 30 2022

Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Philippines 1632
Tel. Nos. (Trunkline) (632) 8479-2900;
Website: <http://www.doe.gov.ph>; E-mail: info@doe.gov.ph

- Pursuant to Section 9.10 of GEAP Guidelines, the DOE shall issue the Certificate of Award (COA) to Winning Bidder, which shall indicate the name of the Bidder, the capacity, name of eligible RPS facility/ies and GET for issuance of Certificate of Nomination/Endorsement for GET eligibility
- On 30 September 2022, the DOE issued the COA to GEA Winning Bidders for first auction round



GEAP Next Steps

1. DOE to promulgate the Policy and Guidelines on the Opt-In Mechanisms.
2. DOE to prepare for GEA – 2 to include assessment of GEA – 1.
3. DOE to develop specific auction policy and guidelines for Geothermal and Impounding Hydro including compensation or payment scheme.
4. DOE monitoring of Winning Bidders' projects deliveries/completion.
5. Winning Bidders to submit Updated Work Program/ Plan – within fifteen (15) calendar days upon issuance of Certificate of Award.
6. TRANSCO, as FIT-All Fund Administrator, enter into REPA with the Winning Bidders and to include the GEA compensation in the computation and filing of FIT-All application before the ERC.
7. ERC determination of GEA – 2 GEAR Prices.
8. NGCP to incorporate, update and implement the required interconnection/ upgrading projects ancillary services requirements.



GREEN ENERGY AUCTION PROGRAM IN THE PHILIPPINES (GEAP)

THANK YOU AND MABUHAY!

2022 Virtual Energy Investment Forum

28 October 2022

