

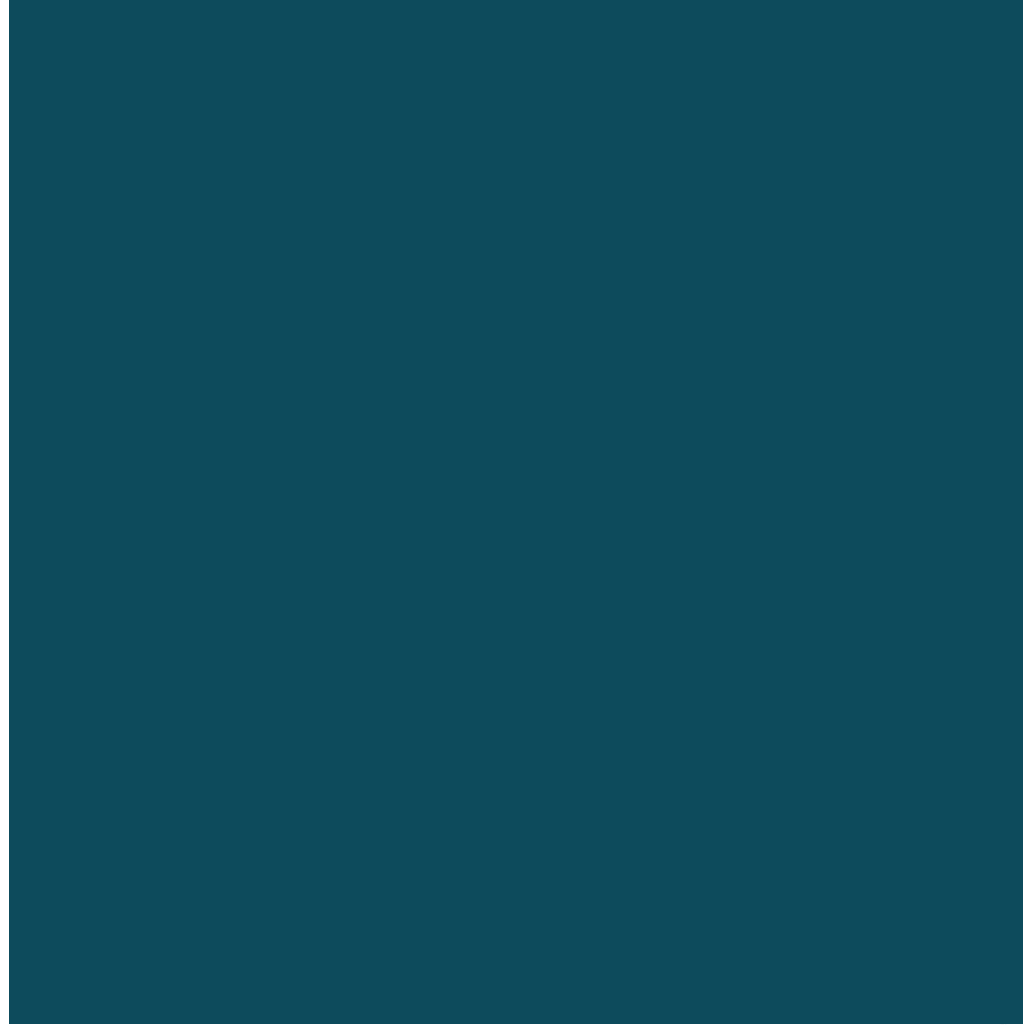
GREEN ENERGY OPTION PROGRAM



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Department of Energy



Green Energy Option Program (GEOP)



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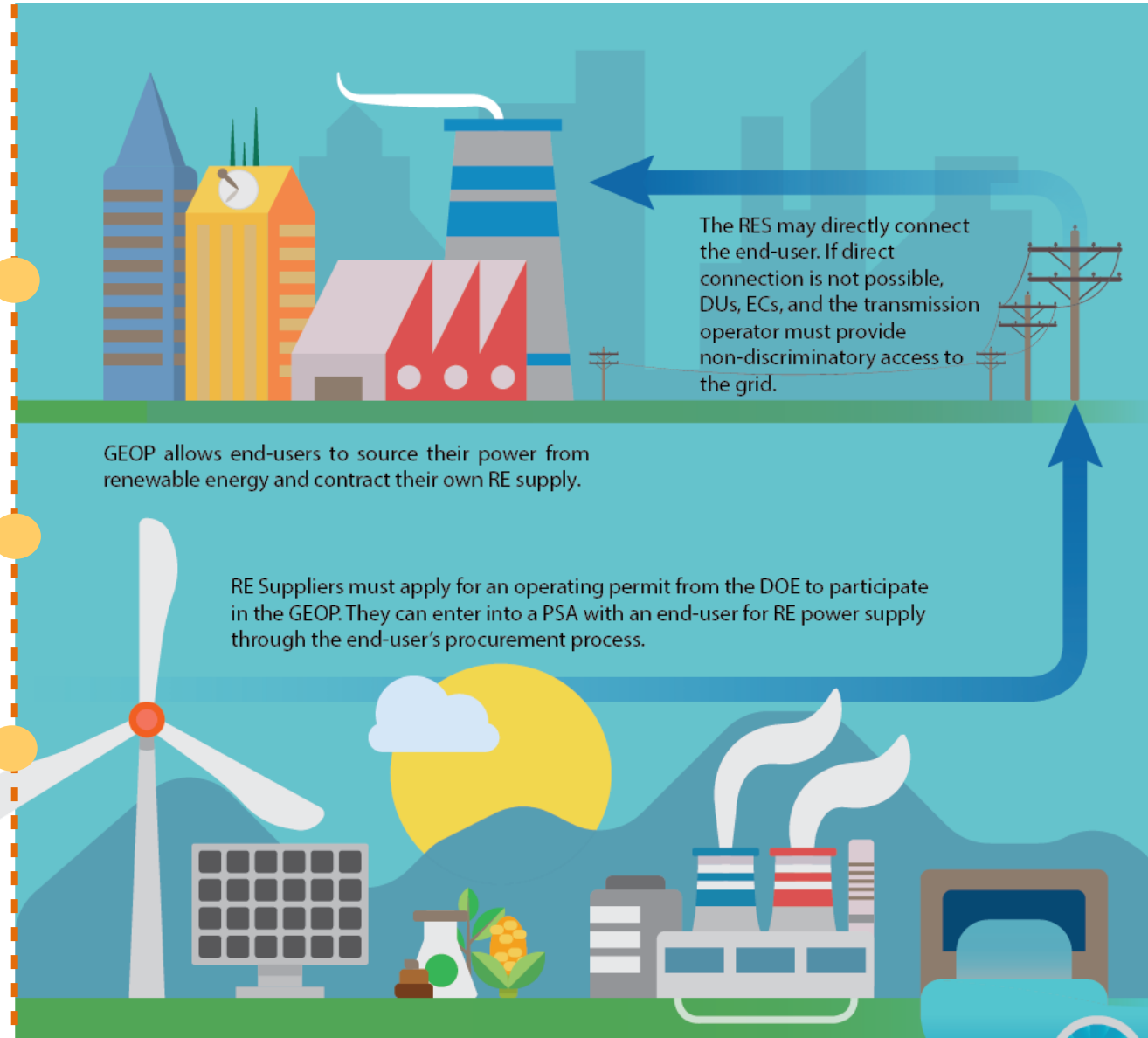
Green Energy Option Program (GEOP)

Section 9 of RE Act

GEOP is a voluntary policy mechanism that provides electricity end-users **with 100kW and above demand** the option to choose RE resources as their source of energy

GEOP is a **non-regulated activity**.

It provides options to end-users to contribute in the development and utilization of RE resources in a **least-cost and sustainable manner**



Policy Frameworks

1. GEOP RULES

DC2018-07-0019

Date Signed: July 18, 2018
Date Published: August 7, 2018
(PDI & Daily Tribune)
Effectivity Date: August 22, 2018

2. GEOP OPERATING PERMIT GUIDELINES

DC2020-04-0009

Date Signed: April 22, 2020
Date Published: May 7, 2020
(Business World & Manila Times)
Effectivity Date: May 22, 2020



Guiding Principles



GEOP Rules espouses full disclosure and transparency in all dealings or transactions.



Network Service Providers shall (1) provide open and non-discriminatory access to transmission and distribution facilities; and (2) continue to provide wheeling services



All rates and charges to End-Users shall be unbundled, segregated and itemized.



Eligible Electricity End-Users

Monthly
Average
Peak
Demand
 \geq
100kW

All End Users with a monthly average peak demand of \geq **100kW**
for the past 12 months

The following End-Users are eligible to participate in the GEOP:

- i. **New Connection**: Estimated average monthly peak demand for the next 12 months is \geq **300 kW**
- ii. **Newly-Connected**: Estimated average monthly peak demand for the next 12 months is **from 100kW to below 300 kW** – *shall have registered historical monthly peak demand of at least 100kW for 3 consecutive months*

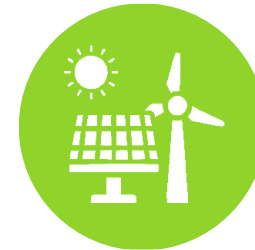
Note: End-Users in operation for less than 12 months from effectivity of GEOP Rules are considered newly-connected.



Qualified RE Suppliers

- **Registered and/or authorized** to operate in the Philippines & engaged in the business of generating/supplying electricity from RE Resources.
- Any RE Facility is eligible for GEOP, as long as there is still **available capacity** for supply under GEOP.
- Owners and operators of RE Facilities constructed and operating **prior to RE Act but registered under the RE Act** may qualify as RE Suppliers.

RE Suppliers



Eligible End-Users



Points to Consider ...

GEOP Customers



- Notify the DU of its intention to participate in the GEOP, 3 months prior to the signing of the GEOP Supply Contract
- Notify the DU of its signed contract with an RE Supplier at least 1 month prior to its effectivity
- Pay and settle its financial obligations to the DU and/or RE Supplier.

RE SUPPLIERS



RE Supplier shall provide a transparent and simplified offer sheet to the End-User, containing the terms and conditions of the RE Supply to the End-User

- 1 Itemized and unbundled all-in fees and charges that will be applied
- 2 Replacement Power which shall likewise be sourced from a RE facility
- 3 Facilitate the registration and switching with the CRB



GEOP Supply Contract



The Participation of the End-User shall be governed by a GEOP Supply Contract between the End-User and RE Supplier



The GEOP Supply Contract is the **agreement between an End-User and an RE Supplier**, which shall contain at the minimum, these terms and conditions



- i. Contract Period
- ii. Name of Electricity End-User and Location
- iii. Name of RE Supplier and Source of RE Supply
- iv. Guaranteed Demand (in kW or MW) and Energy (in kWh and MWh)
- v. Contract Price for the supply of electricity
- vi. Payment Terms
- vii. Replacement Power Provision
- viii. Default Provision
- ix. Other Charges, if any, segregated and itemized



Other Salient Features

1

Entities that shall utilize RE Facilities to supply power under the GEOP shall secure an Operating Permit from the DOE as RE Suppliers

2

RE Facilities covered by GEOP shall have the necessary Certificates of Compliance (COC) from ERC

3

RECs generated under the GEOP shall be for the account of the Host DUs

4

A GEOP Oversight Committee was created to implement the GEOP



Operating Permit Requirements

----- Affidavit of Undertaking on the capability to supply and deliver the RE generation to the End-User

----- Proof of Contract for the Supply of Replacement Power

----- Proof of payment of processing fee

----- Billing document from at least one (1) Contestable Customer for two (2) years immediately preceding the date of application

Or

A sworn statement of Contestable Customer attesting to the fact that it has a contract with the applicant effective for two (2) years immediately preceding the date of application.

For Retail Electricity Suppliers



Obligations of RE Suppliers



----- Comply with all the terms and conditions of the GEOP Operating Permit and the provisions of the GEOP Rules and GEOP Operating Permit Guidelines

----- Submit annual reports to REMB on or before the 30th of January

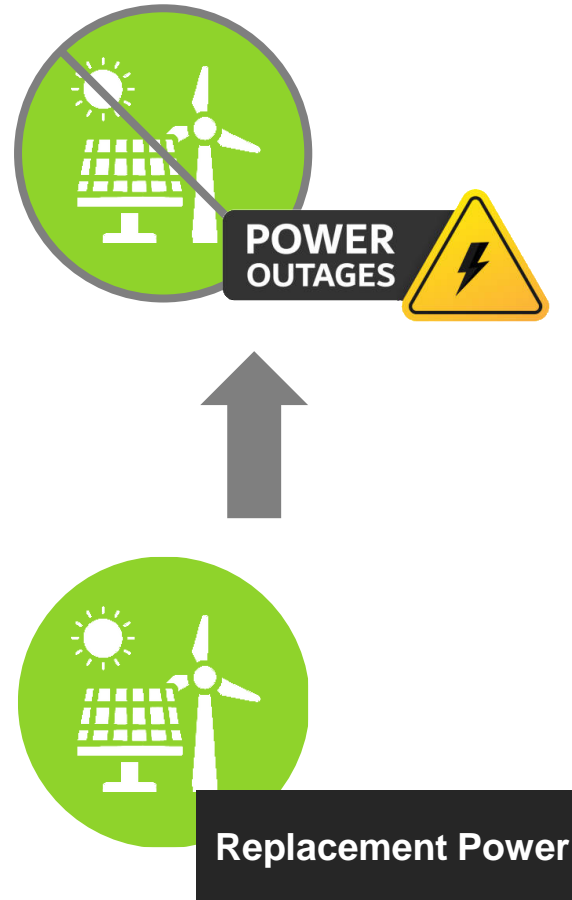
- Total kWh generated from owned and/or operated RE Facility
- Total kWh purchased per RE Resource
- Total kWh sold per customer
- Total kWh purchased for Replacement Power on hourly basis

----- Ensure that the total power dispatched from its RE Facilities should always be greater than or equal to the total kWh sold to its customers

----- Register in the WESM & with the CRB and RE Registrar



Replacement Power



“RE Supplier shall contract necessary **Replacement Power** to ensure that End-Users are supplied with sufficient, and reliable electricity”

Replacement Power shall exclusively be sourced from **RE Resources**.



Status to Date

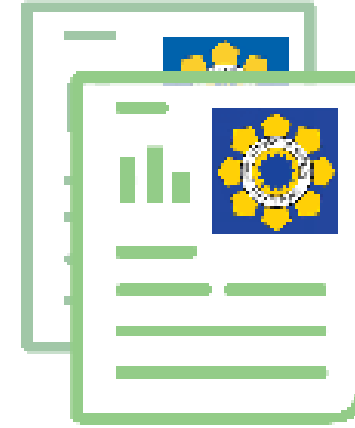
As of August 2021, **fourteen (14) RE Suppliers** awarded/issued with GEOP Operating Permits:

Existing RES:

1. Bac Man Geothermal Inc,
2. First Gen. Energy Solutions Inc,
3. SN Aboitiz Power-RES Inc,
4. AC Energy Philippines Inc.
5. Citicore Energy Solutions Inc.
6. Prism Energy, Inc.
7. Aboitiz Energy Solutions, Inc.
8. Adventenergy, Inc.
9. Shell Energy Philippines, Inc.
10. Green Core Geothermal, Inc.
11. DirectPower Services, Inc.
12. Solar philippines retail electricity, inc.

Generating Company:

1. SN Aboitiz Power-Magat Inc.,
2. Solar Powered Agri-Rural Communities



GEOP OPERATING PERMIT

Valid for **5 years**
from date of
issuance

May be renewed
6 months prior
to its expiration



Suspension, Revocation or Cancellation

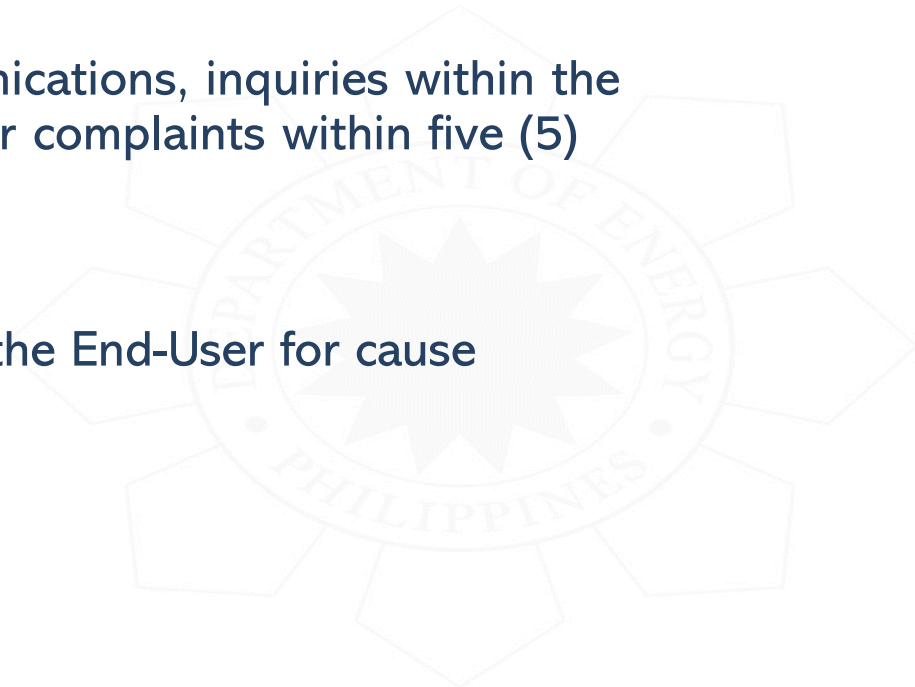


----- Failure to comply with its obligations under the GEOP Rules & GEOP Operating Permit Guidelines

----- Providing false or misleading information to the End-Users or the DOE

----- Failure to respond to DOE directives, communications, inquiries within the periods provided therein, or address customer complaints within five (5) working days from receipt of the same

----- Termination of the GEOP Supply Contract by the End-User for cause



Penalties

1st Offense

1

Suspension of the GEOP Operating Permit for **one (1) month**

2nd Offense

2

Suspension of the GEOP Operating Permit for **three (3) months**

3rd Offense

3

Cancellation / Revocation of the GEOP Operating Permit

Provided, That in cases where the RE Supplier was found to have twice committed the same violation in succession, the Operating Permit shall be cancelled/revoked



Prohibited Acts and Sanctions



Administrative Liability

Penalty ranging from a minimum of PhP100,000.00 – PhP500,000.00

Or revocation of DU's or Generation Facility's license, franchise or authority to operate

Criminal Liability

Penalty of imprisonment of 1-5 years or a fine ranging from a minimum of PhP100,000.00 – PhP100,000,000.00, or twice the amount of damages caused or costs avoided for non-compliance, whichever is higher

Non compliance with or violation of the GEOP Rules shall be subject to the administrative and/or criminal liability



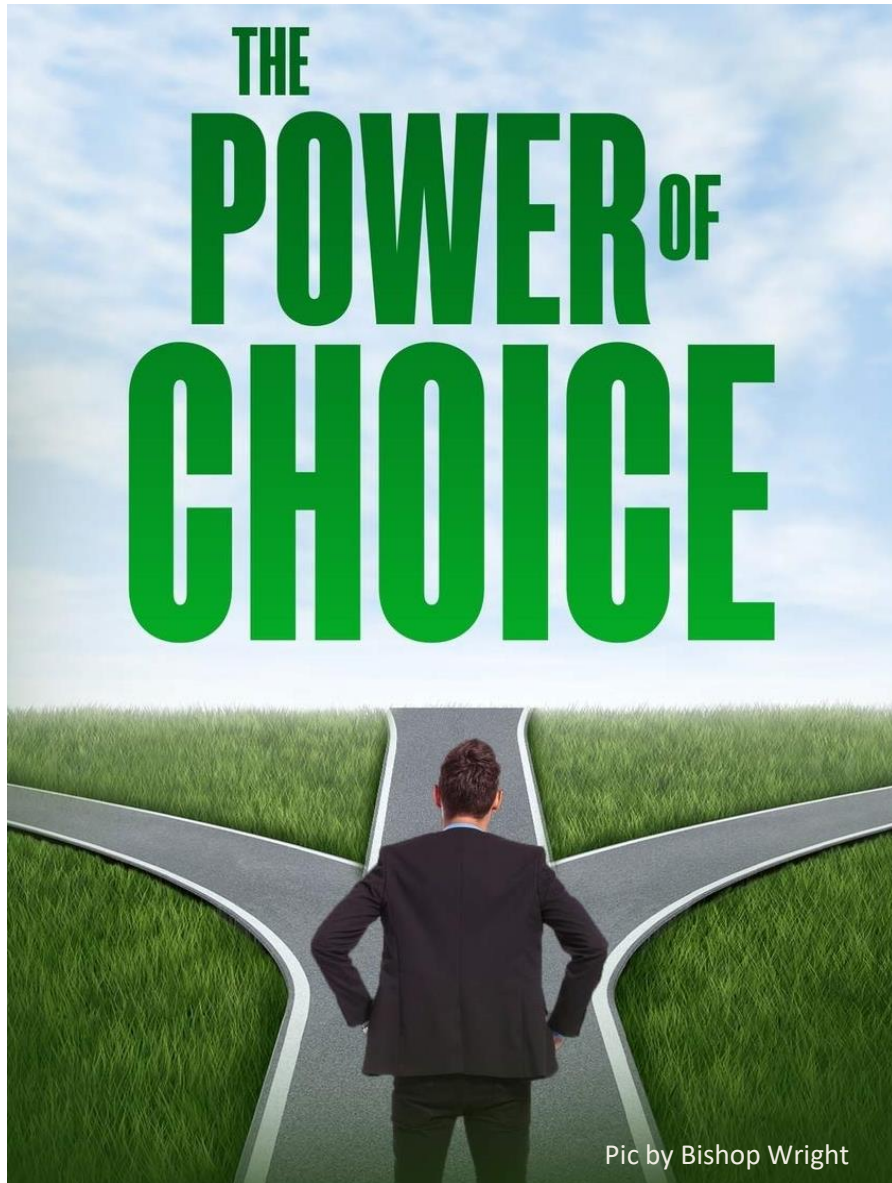
RE Pool



RE Suppliers and Generators/Developers may enter into a joint action or establish a **pool of RE supply** under the GEOP to extent permitted under applicable laws



With GEOP ...



- 1** To choose RE as your supply of energy at least-cost
- 2** To contribute to the growth of the RE industry in the country
- 3** To contribute to cleaner and sustainable environment
- 4** To support national and global decarbonization goals



For more inquiries...

You may reach us through the following:



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Pic by Bishop Wright

THANK YOU !!!



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Department of Energy

