
UPDATES ON RETAIL COMPETITION AND OPEN ACCESS



ASST. DIRECTOR IRMA C. EXCONDE

Department of Energy

02 May 2013

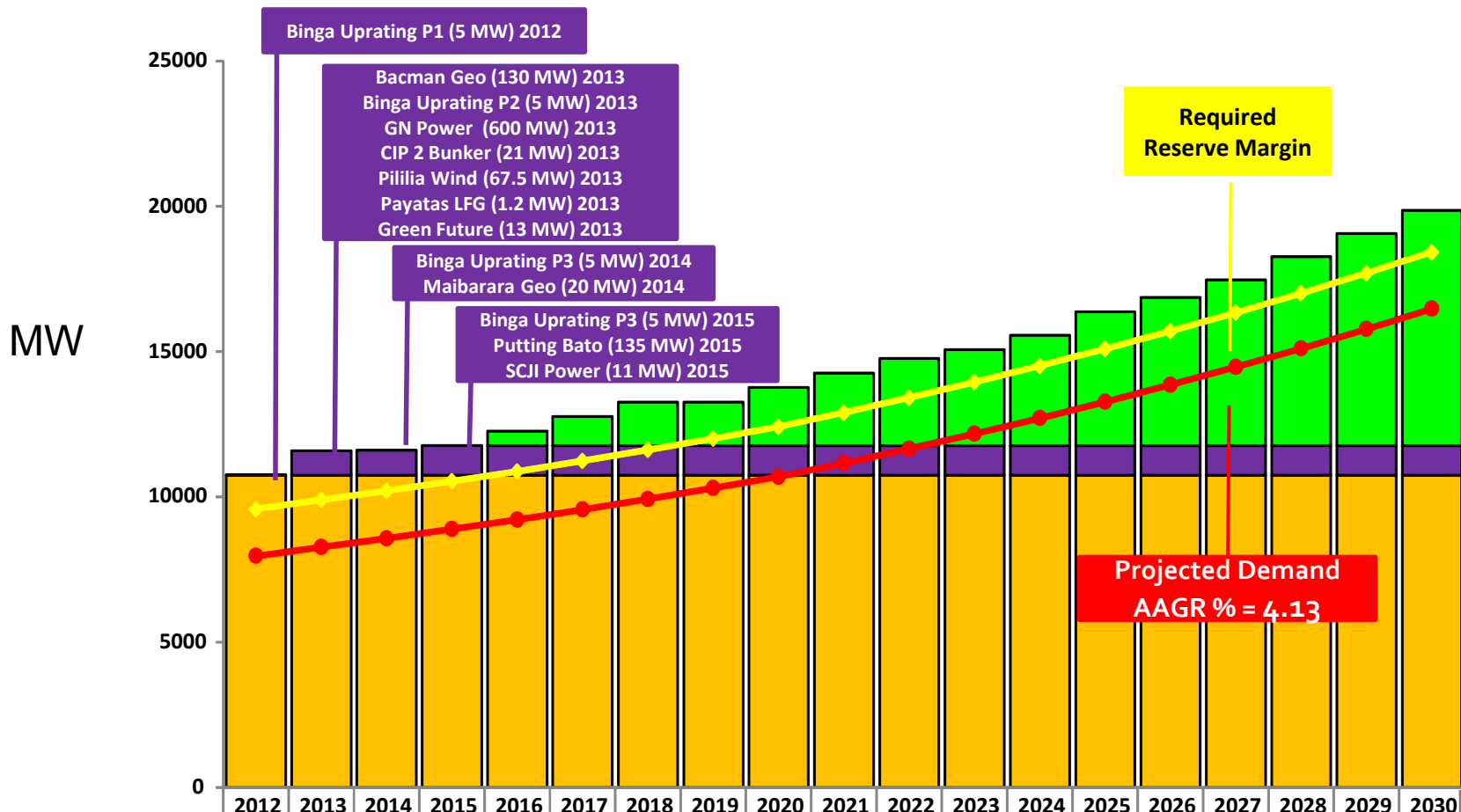
Outline of Presentation

- **Power Outlook**
- **Summary of DOE Issuances**
- **Recent Activities**
- **Timelines**
- **Challenges**
- **Way Forward**



Luzon Supply-Demand Outlook, 2012-2030

A total additional capacity of 8,100 MW is needed onwards to 2030



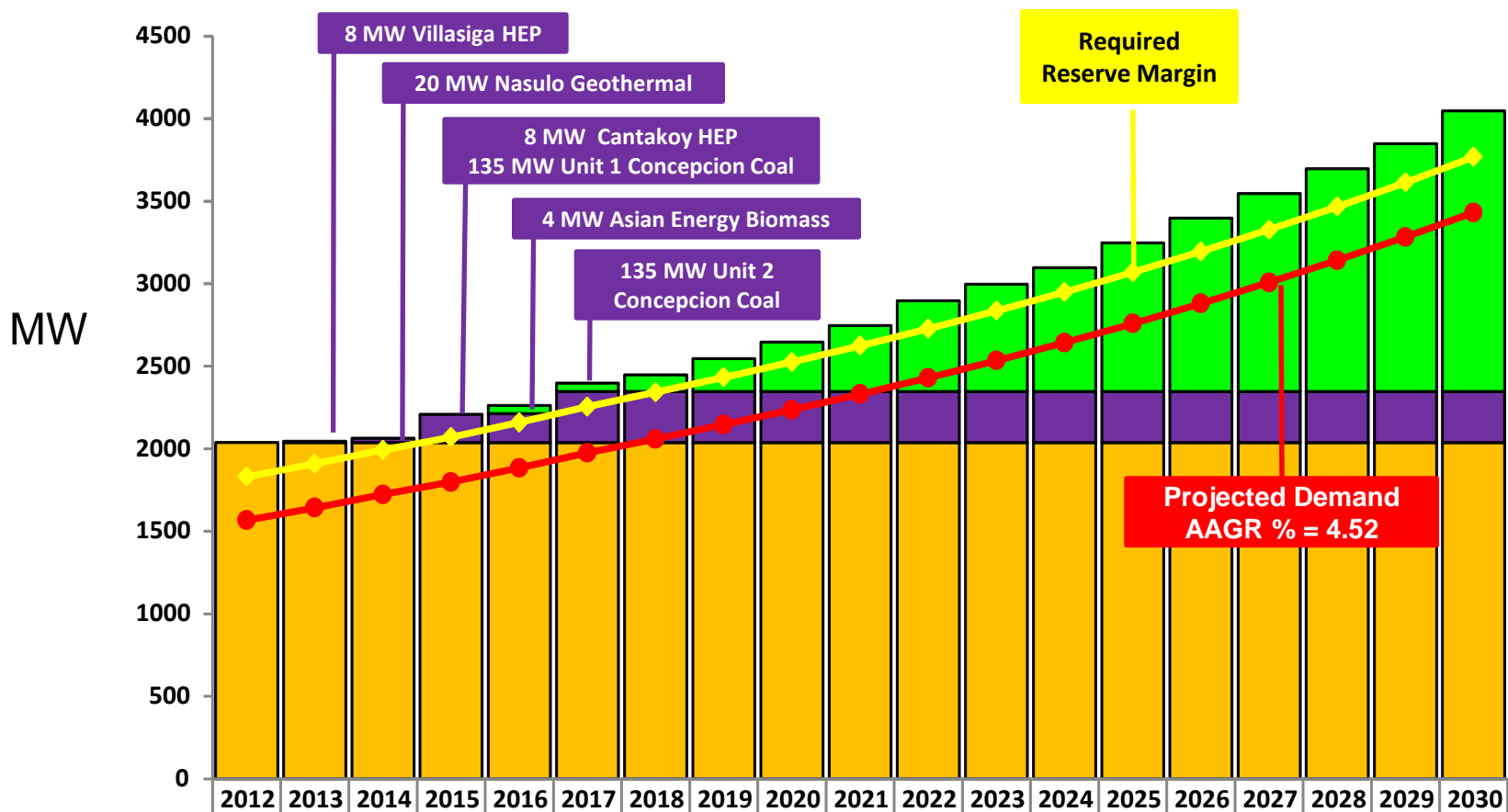
Required Additional Capacity					500	500	500		500	500	500	300	500	800	500	600	800	800	800
Committed Capacity	5	838	25	151															
Existing/Committed Capacity	10744	10749	11587	11612	11763	11763	11763	11763	11763	1763	11763	11763	11763	10744	11763	11763	11763	11763	11763
Required Reserve Margin	1613	1625	1637	1650	1663	1677	1691	1706	1722	1741	1760	1781	1802	1825	1848	1873	1898	1925	1953
Peak Demand Forecast	7969	8275	8575	8892	9217	9567	9929	10304	10693	11165	11659	12174	12712	13274	13860	14473	15112	15780	16477

A new capacity at 500 MW is needed starting 2016 to meet the demand and required reserve



Visayas Supply-Demand Outlook, 2012-

2030 A total additional capacity of 1,700 MW is needed onwards to 2030



Required Additional Capacity					50		50	100	100	100	150	100	100	150	150	150	150	150	200
Committed Capacity		8	20	143	4	135													
Existing/Committed Capacity	2037	2037	2045	2065	2208	2212	2347	2347	2347	2347	2347	2347	2347	2347	2347	2347	2347	2347	2347
Required Reserve Margin	263	266	269	272	275	279	282	286	289	293	297	301	306	310	315	320	326	331	337
Peak Demand Forecast	1568	1643	1723	1799	1884	1976	2060	2147	2237	2331	2430	2534	2644	2759	2881	3008	3142	3283	3431

A new capacity at 50 MW is needed starting 2016 to meet the demand and required reserve

DOE Issuances

- Department Circular No. 2012-02-0002 entitled, “Designating the Philippine Electricity Market Corporation (PEMC) as the Central Registration Body (CRB)”;
- Department Circular No. 2012-05-0005 “Prescribing the General Policies for the Implementation of RCOA”
- Department Circular 2012-06-0007 “Directing the National Electrification Administration to Develop a Mechanism for Ensuring the Adequacy of and Compliance by the Electric Cooperatives with the Prescribed Prudential Requirements in the Wholesale Electricity Spot Market and Spearhead the Collective Petition Thereof for the Approval of the Energy Regulatory Commission”

DOE Issuances

- Department Circular No. 2012-11-0010 “Providing for Additional Guidelines and Implementing Policies for Retail Competition and Open Access and Amending Department Circular No. (DC) 2012-05-0005 Entitled “Prescribing the General Policies for the Implementation RCOA”
- Department Circular No. 2013-01-0002 “Promulgating the Retail Rules for the Integration of RCOA into the WESM”

Recent Activities

- RCOA briefing for ecozone locators in Cavite last 15 February
- Conducted a “RES and Contestable Customers Get Together for RCOA” on 20 March 2012 at AIM.
 - 11 RES and 3 Local RES presented their company profiles and offer parameters
 - 2 Constable Customer presented their concerns and requirements
 - More than 300 participants
- Focus Group Discussion last March 5-6, 2013 and April 23 & 24, 2013 at NPC
 - Availability of Supply
 - Securing Supply Contract

RCOA Timelines

- June 6, 2011 – ERC Resolution No. 10 declaring fulfillment of the pre-conditions and 26 December 2011 as the Open Access Date
- DO 2011-06-0006 Creating the RCOA Steering Committee

- May 9, 2012 – Issued DC2012-05-0005 “General Policies for RCOA”

- PubCon on additional guidelines and implementing policies
- 27 Sept 2012 – DOE/ERC Joint statement

- 21 Dec 2012 - Effectivity of ERC Transitory Rules
- 26 Dec 2012 – OPEN ACCESS DATE



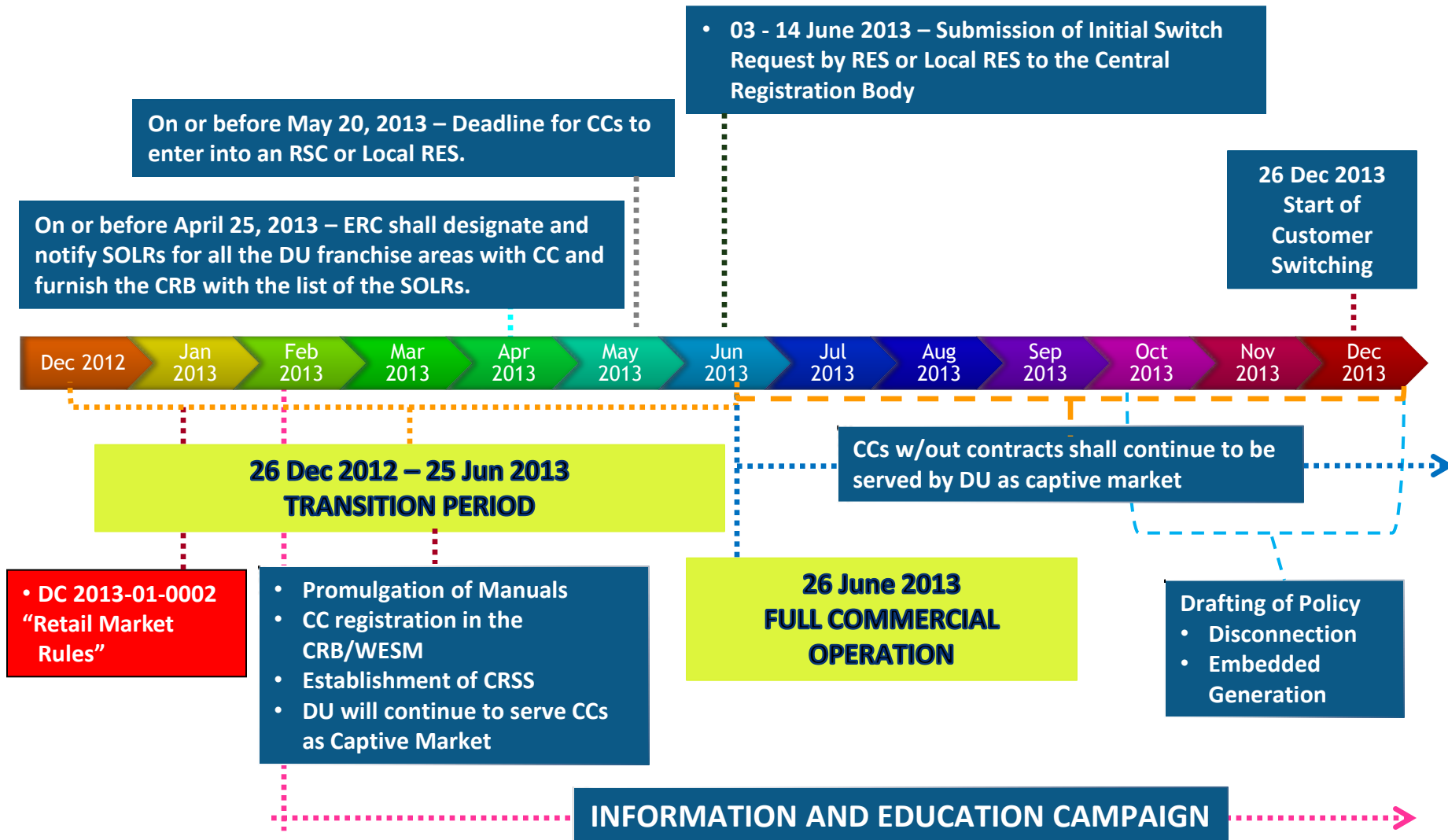
- RCOA-SC Consultations and Recommendations**
- Deferment of Open Access Date
 - Designate PEMC as CRB
 - Establishment of Systems and Processes
 - Conduct of IEC

24 Feb 2012
DC2012-02-0002
Designating PEMC as CRB

DC 2012-06-0007
Directing NEA to assist ECs identify rate methodology incorporating Prudential Requirement for WESM

- Drafting, review and consultation on Retail Rules/Manuals
- 28 Nov 2012 – DC 2012-11-0010 Additional Guidelines and Implementing Policies

RCOA Timelines



Challenges

- Reported “lack of or no offers” from the Suppliers or CCs not being able to enter into supply contracts
- Readiness of the Participants
- Fostering competition in the generation and supply sector
- Enhancing consumer education and protection

Way Forward

- Conduct of trainings, and IEC Campaigns to engage and educate the stakeholders
- Evaluate initial implementation
- Develop appropriate transition policies and arrangements, as necessary, to ensure the effective implementation of RCOA

END OF PRESENTATION

THANK YOU!



DIRECTOR MYLENE C. CAPONGCOL

Department of Energy

24 April 2013
