



17 May 2023

**RULES CHANGE COMMITTEE**  
Philippine Electricity Market Corporation  
18/F Robinsons Equitable Tower,  
Ortigas Center, Pasig City

Attention: **Ms. Kathleen R. Estigoy**  
Rules Review Division, Market Assessment Group


Dear Rules Change Committee:

We wish to inform you that MERALCO has emailed the Committee Secretariat at [mag\\_rrd@wesm.ph](mailto:mag_rrd@wesm.ph) our comments on the proposed amendments to the Retail Rules and Retail Manuals, as follows:

Topic	Attachment File Name	Date Submitted / Sending Email Address Used
Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023 (ORCP-RR-RM-23-06)	ORCP-RR-RM-23-06_No_Outstanding_Balance MERALCO Comments.docx	17 May 2023 / <a href="mailto:jivdelrosario@meralco.com.ph">jivdelrosario@meralco.com.ph</a>

For any question and clarifications, please do not hesitate to contact us through Mr. Manuel Luis Zagala, Lead Specialist, Utility Economics at [mlnzagala@meralco.com.ph](mailto:mlnzagala@meralco.com.ph).

For your consideration.

Sincerely yours,  
  
**LAWRENCE S. FERNANDEZ**  
Vice President and Head  
Utility Economics



**Call for Comments to the Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023**

The Rules Change Committee (RCC) is inviting all WESM Members and interested parties to submit comments to the *Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023 (ORCP-RR-RM-23-06)*.

The proposed amendments seek to:

- 1) Comply with Section 1a and 1b of ERC Resolution No. 01, Series of 2023 that only Eligible End-Users undergoing initial switch shall be required to submit certification of No Outstanding Balance to the Central Registration Body; and
- 2) Adopt definition introduced in Section 1a of ERC Resolution No. 01, Series of 2023 to include definition for Eligible End-Users, and revise definition of Contestable Customers.

The Market documents for amendments are:

- 1) Retail Rules; and
- 2) Retail Manual on Market Transaction Procedures.

**BACKGROUND:**

The proposed amendments were submitted by the Independent Electricity Market Operator of the Philippines (IEMOP) on 10 March 2023 by way of the rules change process for urgent amendments. However, during the 212th Rules Change Committee (RCC) Regular Meeting on 17 March 2023, the RCC certified the proposal as not urgent and reclassified the same to be a general proposal. Correspondingly, on 29 March 2023, the PEM Board during its 58th Meeting concurred with the RCC's decision on the said proposal.

**DOCUMENTS:**

Provided below are the relevant materials for your reference:

- 1) Original Rules Change Proposal submitted by IEMOP (ORCP-RR-RM-23-03)
- 2) PEM Board-approved proposal (RCC Resolution No. 2023-03) per PEM Board Approval on 29 March 2023.
- 3) Matrix of Proposed Amendments for Comments - Annexes A to B of this document (See below. *Please write your comments in the proper columns in the matrix.*)

Kindly submit your comments (in Word format) through the [File a Submission](#) page no later than **17 May 2023** or 30 working days from the date of publication (30 March 2023). *Please input in the proper field the e-mail address of your point person(s) who we could further contact regarding activities related to the processing of the proposal.*

Thank you.

For the Rules Change Committee,

**Rules Review Division**

Market Assessment Group

**Philippine Electricity Market Corporation**

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**Proponent's Information (for the Party Submitting the Comments)**

Name	LAWRENCE S. FERNANDEZ
Designation	Vice President and Head, Utility Economics
Company	Manila Electric Company
Company Address	Lopez Building, Meralco Center, Ortigas Avenue, Pasig City
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Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules						
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	<div>Proposed Re-wording based on Comment</div>
[Please write general comments here, if any.]						
Conditions for Customer Switching	3.2.1.3	3.2.1.3 A Supplier may submit a switch request to the Central Registration Body provided the following conditions are met:  a) xxx xxxx  b) xxx xxxx  c) The Retail Customer has no financial obligations with its Network Service Provider, in case of initial switch, or its incumbent Supplier, and  d) xxx xxxx	3.2.1.3 A Supplier may submit a switch request to the Central Registration Body provided the following conditions are met:  a) xxx xxxx  b) xxx xxxx  c) <del>If the Retail Customer is a Contestable Customer,</del> <u>the Retail Customer</u> has no financial obligations with its Network Service Provider, in case of initial switch, <del>or its incumbent Supplier,</del> and  d) xxx xxxx	To harmonize with ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers)	We propose to retain the term "Retail Customer," since the ERC's Rules for the Green Energy Option Program ("GEOP Rules") has a similar provision for end-users eligible under GEOP.  Article II, Section 4 of the Rules Enabling the Green Energy Option Program provides:  "4. 4 To participate in the GEOP, <u>existing End-Users should have no outstanding balance with its DU or TransCo or its successors-in-interest or concessionaire.</u> End-Users shall be	3.2.1.3 A Supplier may submit a switch request to the Central Registration Body provided the following conditions are met:  a) xxx xxxx  b) xxx xxxx  c) <del>If the Retail Customer is a Contestable Customer,</del> <u>the Retail Customer</u> has no financial obligations with its Network Service Provider, in case of initial switch, <del>or its incumbent Supplier,</del> and  d) xxx xxxx

ANNEX A

Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules							
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response
Procedures for Switching	3.2.2.1	3.2.2.1 Once all the conditions set forth in Clause 3.2.1.3 are met, the new <i>Supplier</i> shall submit the switch request to the <i>Central Registration Body</i> not later than seven (7) working days prior to the proposed effective date.	3.2.2.1 Once all the conditions set forth in Clause 3.2.1.3 are met, the new <i>Supplier</i> shall submit the switch request to the <i>Central Registration Body</i> not later than seven (7) working days prior to the proposed effective date.	To harmonize with ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers)	The term "Retail Customer" is an umbrella term which is intended to cover Contestable Customers, GEOP End-Users, and Eligible End-Users.	3.2.2.1 xxx xxx a) xxx xxx b) xxx xxx c) xxx xxx d) If the <i>Retail Customer</i> it is an <i>Eligible End-User</i> that intends to undergo initial switch, the Network Service Provider that the <u><i>Retail Customer</i></u> <del><i>Eligible End-User</i></del> has no outstanding balance.	
		The switch request shall be electronically filled out and shall include a confirmation from authorized representatives of the following: a) xxx xxx b) xxx xxx	The switch request shall be electronically filled out and shall include a confirmation from authorized representatives of the following: a) xxx xxx b) xxx xxx		required to settle their outstanding balance prior to Switching. For purposes of these Rules, the outstanding balance shall refer to the amount due under previous unpaid bills including the amount indicated in its current bill." (emphasis supplied)		

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Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules						
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment
		c) the <i>Supplier</i> or the <i>Retail Customer</i> , as applicable, and the registered <i>Retail Metering Services Provider</i> of the existence of a valid metering services agreement covering the <i>Retail Customer</i> , and  d) the incumbent <i>Supplier</i> or, if not served by a <i>Supplier</i> , the relevant <i>Distribution Utility</i> that the <i>Retail Customer</i> has no outstanding balance.  xxx	c) the <i>Supplier</i> or the <i>Retail Customer</i> , as applicable, and the registered <i>Retail Metering Services Provider</i> of the existence of a valid metering services agreement covering the <i>Retail Customer</i> , and  d) the incumbent <i>Supplier</i> or, if not served by a <i>Supplier</i> , the relevant <i>Distribution Utility</i> that the <i>Retail Customer</i> has no outstanding balance.  d) If the <i>Retail Customer</i> is an <i>Eligible End-User</i> that intends to undergo initial switch, the <i>Network Service Provider</i> that the <i>Eligible End-User</i> has no outstanding balance.  xxx			xxx
GLOSSARY	5	<b>Contestable Customers</b> - An electricity end user that is certified by the <i>ERC</i> as having met the demand threshold for contestability as set out in the Act. Collectively, these end	<b>Contestable Customers</b> - An electricity end user that is certified by the <i>ERC</i> as having met the demand threshold for contestability as set out in the Act. Collectively, these	To adopt definition of Contestable Customers from ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and		

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Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules						
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment
		users make up the contestable market.	<del>end users make up the contestable market</del> <u>An Eligible End-User that has entered into a retail supply contract with a Retail Electricity Supplier of its choice.</u>	Billing Process and Adopting a Disconnection Policy for Contestable Customers) We defer to PEMC for the general review of the Retail Rules and Manuals for alignment with ERC's revised definition		
GLOSSARY	5	(new)	<u>Eligible End-User – An end-user that has met the contestability threshold and who has a choice to switch from captive market to the competitive retail electricity market.</u>	To adopt definition of Eligible End-Users from ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers) We defer to PEMC for the general review of the Retail Rules and Manuals	The term "Contestable Customer" within the context of the Resolution refers to "an Eligible End-User that has entered into a Retail Supply Contract (RSC) with a supplier of its choice."  PEMC needs to check if the term contestable customer, as currently used in the Retail Rules and Market Manuals, is likewise limited to those customers with RSCs.	



ANNEX A

Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules								
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
				for alignment with ERC's definition	We concur that there should be a general review of Retail Rules and Market Manuals to see if provisions referring to "contestable customers" need to be revised to refer to "eligible end-users" instead.			
GLOSSARY	5	Retail Customer – An electricity end-user that is qualified to contract electricity supply from Suppliers, in accordance with qualifications issued by the ERC either in the capacity of a Contestable Customer or a GEOP End-User as prescribed in Republic Act No. 9513. For clarity, the term "Retail Customer" shall collectively pertain to "Contestable Customer" and "GEOP End-User" unless the context requires that the term specifically refer to either a "Contestable Customer" or "GEOP End-User"	Retail Customer – An electricity end-user that is qualified to contract electricity supply from Suppliers, in accordance with qualifications issued by the ERC either in the capacity of <u>an Eligible End-User</u> , a Contestable Customer or a GEOP End-User as prescribed in Republic Act No. 9513. For clarity, the term "Retail Customer" shall collectively pertain to " <u>Eligible End-User</u> ", "Contestable Customer" and "GEOP End-User" unless the context requires that the term specifically refer to either an	To include Eligible End-Users under umbrella term Retail Customers. We defer to PEMC for the general review of the Retail Rules and Manuals for alignment with ERC's definition				

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Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the ERC Resolution No. 01, Series of 2023

Retail Rules								
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
			"Eligible End-User", "Contestable Customer" or "GEOP End-User"					

Retail Manual on Market Transactions Procedure								
Title	Section	Original Provision	Proposed Amendment	Rationale	Comment	Propose Re-wording based on Comment	Original Proponent's Response	RCC Decision
[Please write general comments here, if any.]								
Customer Switching - Overview	11.2.3	2.3. Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i> , the following must be present:  2.3.1. A valid Retail Supply Contract between a <i>Supplier</i> and the <i>Contestable Customer</i> for which the request is made; and  2.3.2. An existing and valid wheeling service agreement with the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> and a metering services agreement with a registered <i>Retail Metering Services Provider</i> covering the <i>Contestable Customer</i> .  2.3.3. A certification from the incumbent <i>Supplier</i> or relevant <i>Distribution Utility</i> that the <i>Contestable Customer</i> does not have any outstanding balance.	2.3. Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i> , the following must be present:  2.3.1. A valid Retail Supply Contract between a <i>Supplier</i> and the <i>Contestable Customer</i> for which the request is made; and  2.3.2. An existing and valid wheeling service agreement with the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> and a metering services agreement with a registered <i>Retail Metering Services Provider</i> covering the <i>Contestable Customer</i> - <b>and</b>  2.3.3. A certification from the incumbent <del><i>Supplier</i></del> or relevant <i>Distribution Utility</i> , <b><u>in case of an initial switch,</u></b> that the <i>Contestable Customer</i> does not have any outstanding balance.	To harmonize with ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers)	We propose to use the term "Retail Customer" instead of "contestable customer" in this section, since the ERC's Rules for the Green Energy Option Program ("GEOP Rules") has a similar provision for end-users eligible under GEOP.  Article II, Section 4 of the Rules Enabling the Green Energy Option Program provides:  "4.4 To participate in the GEOP, <b><u>existing End-Users should have no outstanding balance with its DU or TransCo or its successors-in-interest</u></b> or <b><u>concessionaire</u></b> . End-	2.3. Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i> , the following must be present:  2.3.1. A valid Retail Supply Contract between a <i>Supplier</i> and the <b><u>Retail Contestable Customer</u></b> for which the request is made;  2.3.2. An existing and valid wheeling service agreement with the relevant <i>Distribution Utility</i> or <i>Network Service Provider</i> and a metering services agreement with a registered <i>Retail Metering Services Provider</i> covering the <i>Contestable Customer</i> . and  2.3.3. A certification from the relevant <i>Distribution Utility</i> , in case of an initial switch, that the		

Retail Manual on Market Transactions Procedure						
Title	Section	Original Provision	Proposed Amendment	Rationale	Comment	Propose Re-wording based on Comment
					<i>Users shall be required to settle their outstanding balance prior to Switching. For purposes of these Rules, the outstanding balance shall refer to the amount due under previous unpaid bills including the amount indicated in its current bill."</i> (emphasis supplied)	<i>Retail Contestable Customer</i> does not have any outstanding balance.
Customer Switching - Switching Procedures	II.3.1.1	3.1.1. Once all requirements are met, the new Supplier shall submit the switch request to the Central Registration Body not later than seven (7) working days before the proposed switch effective date. The switch request form shall be electronically filled out and shall include a confirmation by the authorized representatives of the following:  a) xxx xxxx b) xxx xxxx  c) The Supplier or the Contestable Customer, as	3.1.1. Once all requirements are met, the new Supplier shall submit the switch request to the Central Registration Body not later than seven (7) working days before the proposed switch effective date. The switch request form shall be electronically filled out and shall include a confirmation by the authorized representatives of the following:  a) xxx xxxx b) xxx xxxx  c) The Supplier or the Contestable Customer, as applicable, and the registered Retail Metering	To harmonize with ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers)	The term "Retail Customer" is an umbrella term which is intended to cover Contestable Customers, GEOP End-Users, and Eligible End-Users.  In this provision, the Retail Customer has already entered a Retail Supply Contract with a Supplier and is about to switch; hence, the term retail customer would be appropriate.	3.1.1 xxx xxxx  a) xxx xxxx  b) xxx xxxx  c) xxx xxxx  d) If the <u>Retail Customer</u> it is an <u>Eligible-End-User</u> that intends to undergo initial switch, the Network Service Provider that the <u>Retail Customer</u> <u>Eligible-End-User</u> has no outstanding balance.  xxx

Retail Manual on Market Transactions Procedure								
Title	Section	Original Provision	Proposed Amendment	Rationale	Comment	Propose Re-wording based on Comment	Original Proponent's Response	RCC Decision
		applicable, and the registered <i>Retail Metering Services Provider</i> of the existence of a valid metering agreement covering the <i>Contestable Customer</i> , and  d) The incumbent <i>Supplier</i> or, if not served by a <i>Supplier</i> , the relevant <i>Distribution Utility</i> that the <i>Contestable Customer</i> has no outstanding balance.  xxx	<i>Services Provider</i> of the existence of a valid metering services agreement covering the <i>Contestable Customer</i> , and  d) The incumbent <i>Supplier</i> or, if not served by a <i>Supplier</i> , the relevant <i>Distribution Utility</i> that the <i>Contestable Customer</i> has no outstanding balance- <u>d) If it is an <i>Eligible End-User</i> intending to undergo initial switch, the <i>Network Service Provider</i> that the <i>Eligible End-User</i> has no outstanding balance.</u>  xxx					