

RDS-RRDSD-RegMD-RRA-2023-175  
11 May 2023

**ATTY. JESUSITO G. MORALLOS**

Chairperson, Rules Change Committee  
Philippine Electricity Market Corporation  
18/F Robinsons Equitable Tower  
ADB Avenue, Ortigas Center, Pasig City

**ATTENTION: MR. BIENVENIDO C. MENDOZA**

RCC Secretariat and Chief Market Assessment Officer, Market Assessment Group

**SUBJECT: NGCP's COMMENTS ON IEMOP's PROPOSED GENERAL AMENDMENTS FOR HARMONIZATION WITH ERC RESOLUTION NO. 01 SERIES OF 2023, AND GENERAL AMENDMENTS RELATIVE TO THE ILP IMPLEMENTATION**

Dear **Chairperson Morallos**:

The National Grid Corporation of the Philippines would like to respectfully submit the attached matrices containing its comments on following proposals of the Independent Market Operator of the Philippines:

1. Proposed General Amendments to the Retail Rules and Retail Manual on Market Transaction Procedures in view of the Energy Regulatory Commission Resolution No. 01, Series of 2023; and
2. Proposed General Amendments to the Wholesale Electricity Spot Market (WESM) Rules and Various WESM Manuals on the Interruptible Load Program Implementation

Thank you and we hope for the Committee's consideration on this submission.

Sincerely,

for

  
**MA. CYNTHIA Y. MANRIQUE**

VP and Head, Revenue and Regulatory Affairs

Encl: *as stated*



**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	
Designation	
Company	
Company Address	
Telephone No.	
Fax. No.	
Email Address	

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
<p>1. The definition of “Initial Switch” in ERC Resolution 9, Series of 2018 refers to “Contestable Market” (not amended in ERC Reso 1 Series of 2023). There may be a need to add a definition for “Initial Switch” in the Retail Rules to refer to Eligible End-Users for consistency.</p> <p>2. The definition of “Switch Request” in ERC Resolution 9, Series of 2018 refers generally to “Contestable Market” (not amended in ERC Reso 1 Series of 2023). For consistency, there may be a need to add a definition for “Switch Request” in the Retail Rules to differentiate the switch request by an Eligible End-User and a Contestable Customer.</p>								
Conditions for Customer Switching	3.2.1.3	<p>3.2.1.3 A <i>Supplier</i> may submit a switch request to the <i>Central Registration Body</i> provided the following conditions are met:</p> <p>a) xxx xxxx</p> <p>b) xxx xxxx</p> <p>c) The <i>Retail Customer</i> has no financial obligations with its <i>Network Service Provider</i>, in case of initial switch, or its incumbent <i>Supplier</i>, and</p> <p>d) xxx xxxx</p>	<p>3.2.1.3 A <i>Supplier</i> may submit a switch request to the <i>Central Registration Body</i> provided the following conditions are met:</p> <p>a) xxx xxxx</p> <p>b) xxx xxxx</p> <p>c) <u>If <del>the</del> the <i>Retail Customer</i> is a Contestable Customer, the Retail Customer</u> has no financial obligations with its <i>Network Service Provider</i>, in case of initial switch, <del>or its incumbent Supplier</del>, and</p> <p>d) xxx xxxx</p>	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)	<p>1. Clarification on 3.2.1.3 “<i>may submit a switch request to the Central Registration Body.</i>” Can the retail customer submit the switch request? Section 3.2.2.1 uses the word “shall” for the Supplier.</p> <p>2. The use of Contestable Customer and Eligible End-User in the</p>			

Retail Rules								
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
					proposed revisions to 3.2.1.3 c) and 3.2.2.1 d) seem to be not aligned. Conditions in 3.2.1.3 require that a supply contract must have been entered into by the parties.			
Procedures for Switching	3.2.2.1	<p>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.</p> <p>The switch request shall be electronically filled out and shall include a confirmation from authorized representatives of the following:</p> <p>a) xxx xxxx</p> <p>b) xxx xxxx</p>	<p>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.</p> <p>The switch request shall be electronically filled out and shall include a confirmation from authorized representatives of the following:</p> <p>a) xxx xxxx</p> <p>b) xxx xxxx</p>	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 use of Contestable Customer and Eligible End User in the proposed revisions to 3.2.1.3 c) and 3.2.2.1 d) seem to be not aligned. Conditions in 3.2.1.3 include that a supply contract has been entered into by the parties.			

Retail Rules								
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
		<p>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</p> <p>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.</p> <p>xxx</p>	<p>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</p> <p><del>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.</del></p> <p><b><u>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.</u></b></p> <p>xxx</p>					
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	<del><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</del>	To adopt definition of Contestable Customers from ERC Resolution No. 01, Series of 2023 (Amendment to the ERC Rules Supplementing the Switching and				

Retail Rules								
Title	Clause	Original Provision	Proposed Amendment	Rationale	Comment	Proposed Re-wording based on Comment	Original Proponent's Response	RCC Decision
		users make up the contestable market.	end <del>users make up the contestable market</del> <u>An <b>Eligible End-User</b> that has entered into a retail supply contract with a <b>Retail Electricity Supplier</b> 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><b>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.</b></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				

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				
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 <u>an “Eligible End-User”</u> , “Contestable Customer” or “GEOP End-User”	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				

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	II.2.3	<p>2.3. Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i>, the following must be present:</p> <p>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</p> <p>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>.</p> <p>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.</p>	<p>2.3. Before a <i>Switch Request</i> can be submitted by a <i>Supplier</i>, the following must be present:</p> <p>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; <del>and</del></p> <p>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> <del>-and</del></p> <p>2.3.3. A certification from the <del>incumbent <i>Supplier</i> or</del> relevant <i>Distribution Utility</i>, <u><b>in case of an initial switch,</b></u> that the <i>Contestable Customer</i> does not have any outstanding balance.</p>	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)				

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
Customer Switching - Switching Procedures	II.3.1.1	<p>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:</p> <p>a) xxx xxxx b) xxx xxxx</p> <p>c) The <i>Supplier</i> or the <i>Contestable 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>Contestable Customer</i>, and</p> <p>d) The incumbent <i>Supplier</i> or, if not served by a <i>Supplier</i>, the relevant <i>Distribution Utility</i> that the</p>	<p>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:</p> <p>a) xxx xxxx b) xxx xxxx</p> <p>c) The <i>Supplier</i> or the <i>Contestable 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>Contestable Customer</i>, and</p> <p>d) <del>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.</del></p>	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)	3.1.1 d) If one of the requirements is a supply contract, should not this section refer to a Contestable Customer?			

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
		<i>Contestable Customer</i> has no outstanding balance.  xxx	<b><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></b>  xxx					