

What You Need to Know About the Green Energy Option Program (GEOP)



February 17, 2022

Presentation outline

What is GEOP?

How Do You Make the Switch?

Moving Ahead



How was the Green Energy Option Program created?

R.A. 9136 (“Electric Power Industry Reform Act of 2001”) - it is the policy of the state to ensure socially and environmentally **compatible energy resources and infrastructure, and promote the utilization of indigenous, new and Renewable Energy (RE) resources to reduce dependence on imported energy.**



Renewable Energy Act of 2008 (RE Act) - it is the policy of the state **to increase the utilization of RE by institutionalizing the development of national and local capabilities in the use of RE Systems** and promoting its efficient and cost-effective commercial application by providing fiscal and non- fiscal incentives.



Section 9 of the RE Act mandates the establishment of a Green Energy Option Program (GEOP) which provides end-users **the option to choose RE resources** as their sources of energy.

Milestones

Jul 2018

DOE released GEOP Rules (DC 2018-07-0019)

Apr 2020

DOE released GEOP Operating Permit Guidelines

Nov 2020

ERC released draft Resolution on GEOP Rules

Dec 2020

DOE issues GEOP Operating Permits to RE Suppliers

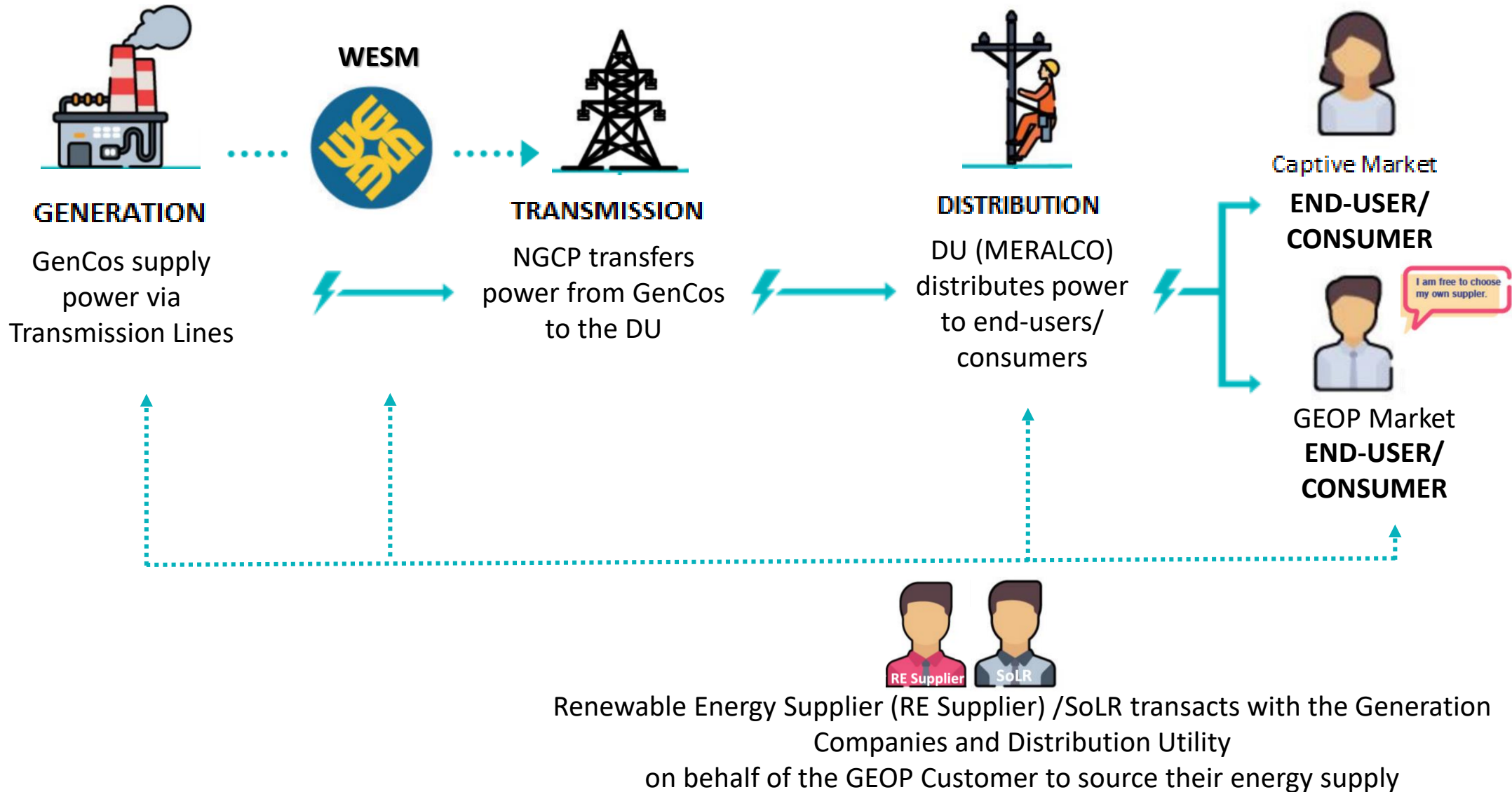
Aug 2021

ERC released Final GEOP Rules

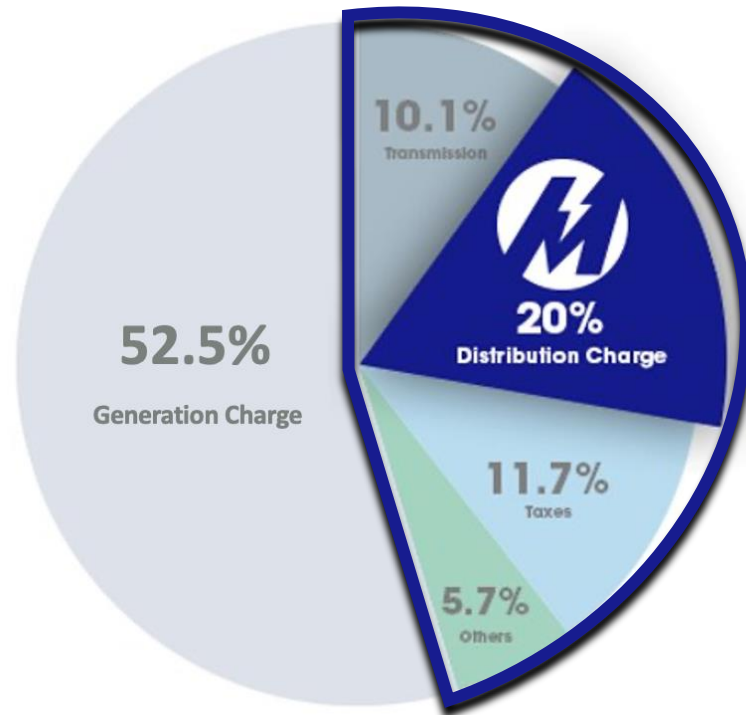
Dec 2021

GEOP commercial operation

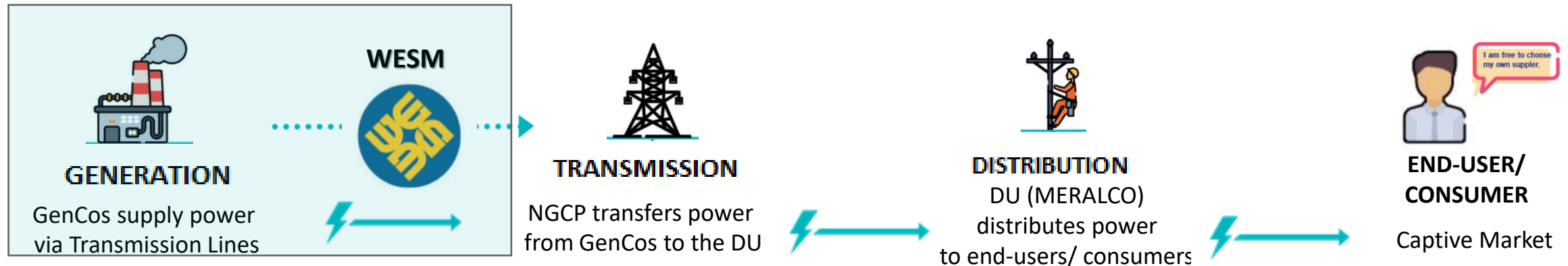
Supply Chain Under the Green Energy Option Program



The unbundled electric bill



Collectively called as
Distribution Wheeling Service (DWS)
portion of the bill



Taken care of by RE Supplier

Benefits



- ~ Designed for end-users who are focused on sustainability



- ~ Chance to contribute to the development and use of renewables in a least-cost and sustainable manner



- ~ Energy needs will be supplied by 100% renewable sources



- ~ Consumer empowerment: the power of choice

Who are the players?

REGULATORS



- Supervise restructuring of the electricity industry
- Formulate policies, rules and regulations necessary to implement EPIRA's objectives

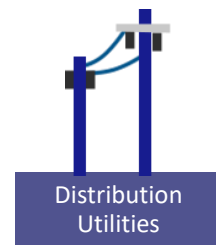
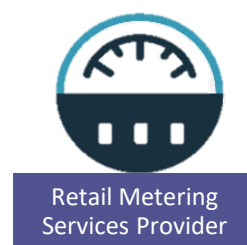


- Promote competition, among others
- Enforces rules, regulations including issuances of permits and licenses
- Resolve cases (rates and other cases) and disputes
- Promotes consumer interest



- Operates the Wholesale and Retail Markets
- Acts as the Central Registration Body (CRB)

POWER INDUSTRY



END-USERS



The most important player in GEOP

List of RE Suppliers

1	Lopez Group		Bac-Man Geothermal Inc.	8	Aboitiz Group		SN Aboitiz Power-Magat, Inc.
2			First Gen Energy Solutions, Inc.	9			SN Aboitiz Power-RES, Inc.
3			GreenCore Geothermal Inc.	10			Aboitiz Energy Solutions, Inc.
4	Ayala Group		AC Energy Philippines, Inc.	11			Prism Energy, Inc.
5			DirectPower Services, Inc.	12			Adventenergy, Inc.
6	PSPC		Shell Energy Philippines, Inc.	13	Pure Energy Holding		Spac-Solar Powered Agri-Rural Communities Corporation
7	Citicore Power		Citicore Energy Solutions Inc.	14	Leviste Group		Solar Philippines Retail Electricity, Inc.

**As of August 31, 2021*

Who are qualified?

Based on criteria set by Regulators, customers meeting the following parameters are considered eligible for the program:

Existing Customers

- ⌚ Monthly average peak demand for the past 12 months $\geq$ 100kW

New Customers

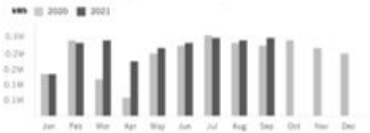
(with less than 12 months consumption)

- ⌚ Estimated monthly average peak demand $\geq$ 300kW for next 12 months; or
- ⌚ Estimated monthly average peak demand from 100kW to below 300kW for next 12 months and has a registered historical monthly peak demand of at least 100kW for three (3) consecutive months.

Switching to GEOP is currently voluntary.

How will I know if my business is qualified?

Eligible customers will be notified thru their monthly bill.

ABC INDUSTRIAL CORPORATION 0012 EPIFANIO DELOS SANTOS AVE AYALA CENTER SAN LORENZO MAKATI CITY 9999 METRO MANILA Meter No.: A10J0000623 Route Seg.: 1110 04 0002	MAKATI BUSINESS CENTER KAMAGONG ST., AYALA AVE MAKATI CITY TIN 000-101-528-000-WAT Billing Statement No.: 3110071781220			
Page 1 of 1				
Your electric bill				
Billing Period 7 Aug 2021 to 6 Sep 2021	Bill Date 6 Sep 2021	Customer Account Number (CAN) 1803299942		
Date of Meter Reading 6 Sep 2021	Electric Meter Number A10J0000623	Due Date 17 Sep 2021		
Date of Next Meter Reading 6 Oct 2021	Billed Demand 609.360 kW	Please Pay ₱ 2,248,527.94		
Customer Type Business – General Power	Current Reading 71,945	Bill Computation Summary Remaining Balance from previous bill 0.00 <small>(see other bills due for payment under What Remains Unpaid; does not include bills under review and installment)</small> Charges for this billing period 2,248,527.94 Generation 1,482,641.67 Transmission 126,472.67 System Loss 148,282.37 Distribution (Meralco) 153,691.59 Subsidies 17,018.50 Government Taxes 230,262.55 Universal Charges 60,338.30 FIT-AII (Renewable) 29,820.29		
Your rate this month	Previous Reading -			
₱ 7.41 per kWh	Actual Consumption = 303,360 kWh			
See formula in Add'l Bill Information	Using 240 multiplier			
Load Factor : 69.14%				
<p>You are a qualified Contestable Customer and can now choose your preferred Retail Electricity Supplier (RES). For more details, please access the Energy Regulatory Commission RCDA website at www.buyyourelectricity.com.ph.</p>				
Your monthly consumption				
 <p>kWh 2020 2021</p> <p>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</p> <p>2020: 0.2M 0.3M 0.3M 0.1M 0.1M 0.3M 0.3M 0.3M 0.3M 0.3M 0.3M 0.3M</p> <p>2021: 0.2M 0.3M 0.3M 0.1M 0.1M 0.3M 0.3M 0.3M 0.3M 0.3M 0.3M 0.3M</p>				
Your consumption explained				
▲ 5% Consumption (kWh) vs. Prev. Billing	▲ 20% Actual demand (kW) vs. Minimum billing demand	✓ 99% Power Factor: Ideal level is ≥85%		
Environmental Impact				
Be energy efficient. Save and help take care of our environment.				
 0.3M kWh Electricity Used	 216.0530 tCO₂e Eqv. GHG Emissions	 10k trees** To Offset Emissions		
<small>*Using DOE's 2015-2017 National Emission Grid Factor of 0.0007127 tCO₂/kWh. **After Arden Day Foundation, 1 mature tree can absorb 48 pounds (22.2kg) of CO₂ per year.</small>				
Payment Instruction				
Please pay at any Meralco Business Center or through any accredited payment partner before the due date.				
				
QR code contains your CAN.	Payment made after 17 Sep 2021 will be reflected on your next bill. Permit No.: 0305-00036-BAR dated March 21, 2009			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> Customer Account No. (CAN) 1803299942 <small>Subject to C&T and/or F&W deduction if submitted with BIR Form 2307 and/or BIR Form 2306. Please refer to Add'l Bill Information for more details.</small> </td> <td style="width: 50%; vertical-align: top;"> Please pay ₱ 2,248,527.94 </td> </tr> </table>			Customer Account No. (CAN) 1803299942 <small>Subject to C&T and/or F&W deduction if submitted with BIR Form 2307 and/or BIR Form 2306. Please refer to Add'l Bill Information for more details.</small>	Please pay ₱ 2,248,527.94
Customer Account No. (CAN) 1803299942 <small>Subject to C&T and/or F&W deduction if submitted with BIR Form 2307 and/or BIR Form 2306. Please refer to Add'l Bill Information for more details.</small>	Please pay ₱ 2,248,527.94			
				
For more information you may reach us through any of our channels:  @meralco  customercare@meralco.com.ph  www.meralco.com.ph 				

**GEOP only
(100 kW – 499 kW)**

GEOP & RCOA (500 kW & Up)

IMPORTANT NOTICE

You are a qualified Green Energy Option End-User and can now choose your preferred Renewable Energy Supplier.

For more details, please refer to Resolution No. 08, Series of 2021 in the Energy Regulatory Commission website at www.erc.gov.ph.

Kindly retain a copy of this bill as proof of your eligibility,
which shall be used as basis for your retail market transactions.

For inquiries, contact your dedicated Relationship Manager
 corporatepartners.meralco.com.ph ✉ corporatepartners@meralco.com.ph ☎ 16210

IMPORTANT NOTICE

You are a qualified Contestable Customer* and a Green Energy Option End-User.** You can now choose your preferred Retail Electricity Supplier or Renewable Energy Supplier, as applicable.

For more details, please visit the Energy Regulatory Commission website at www.erc.gov.ph.

Kindly retain a copy of this bill as proof of your eligibility, which shall be used as basis for your retail market transactions.

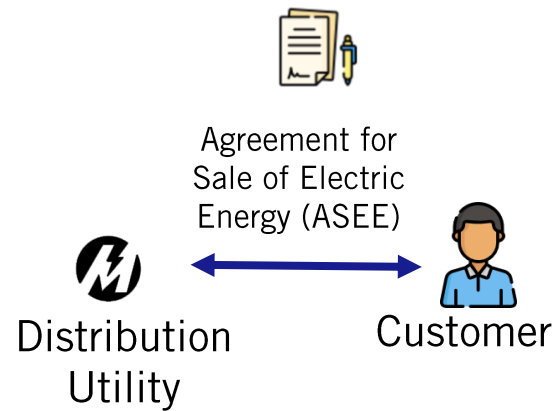
*Refer to www.buyyourelectricity.com.ph
 **See ERC Resolution No. 08, Series of 2021

For inquiries, contact your dedicated Relationship Manager
 ☎ corporatepartners.mentalco.com.ph ✉ corporatepartners@mentalco.com.ph ☎ 16210

Change in contractual relationship

As a GEOP end-user you will execute different contracts to cover your Energy and Connection requirements

CAPTIVE MARKET

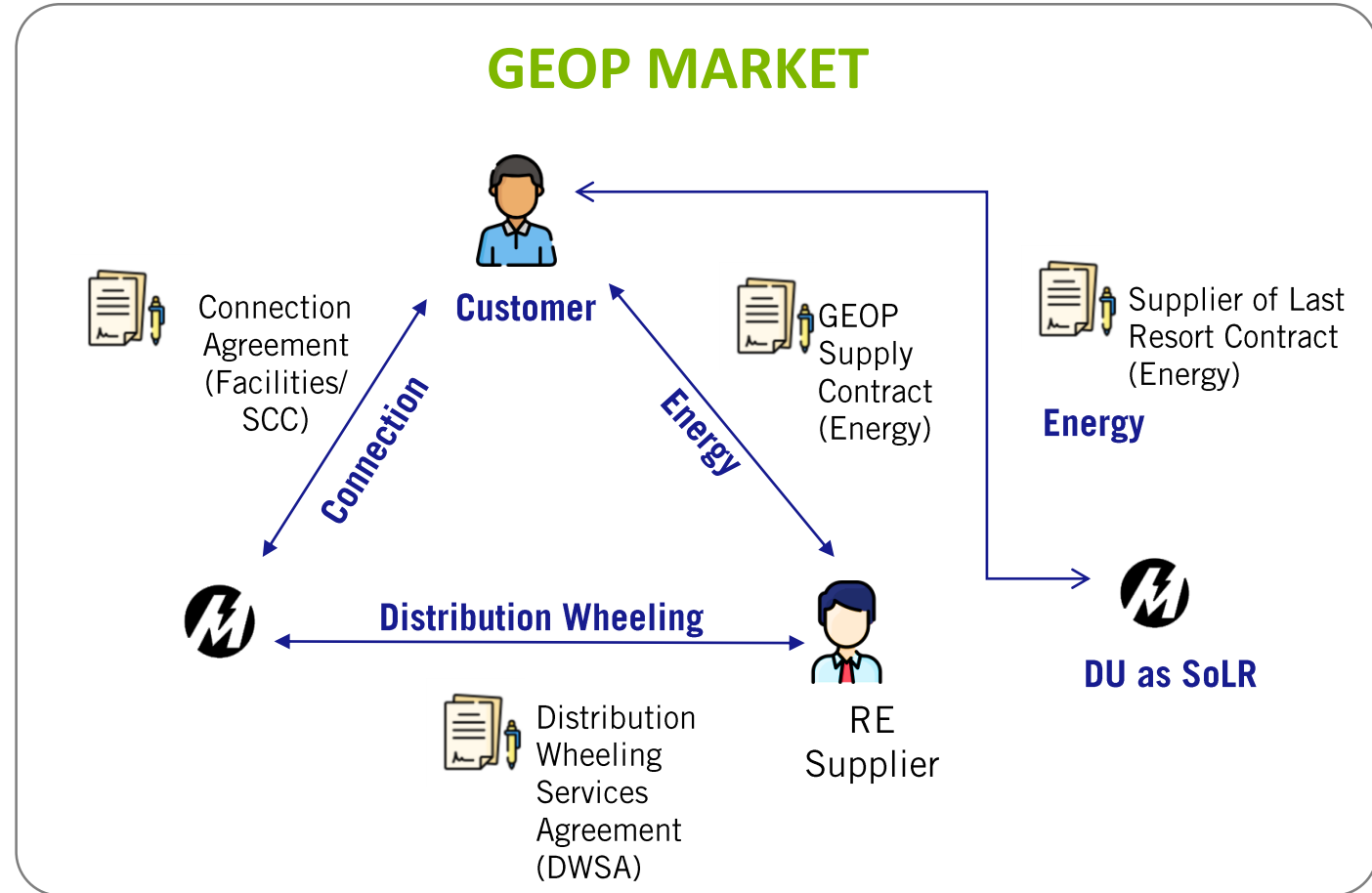


ASEE covers provisions on:

- ✓ Connection
- ✓ Distribution Wheeling Services
- ✓ Supply of Electricity



GEOP MARKET



Changes in customer service processes

Once you switch to GEOP, your interaction with Meralco will change.

Captive Customers



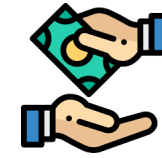
Service Application /
Contracting



Meter Reading / Data
Retrieval & Analysis



Billing



Payments
Processing



Delinquency
Management

GEOP Customers

Customer-
initiated



Service Application /
Contracting

CRB
sends list to
DU



Customer
Switching

DU provides
to CRB



Meter Data
Retrieval &
Analysis



Billing

Single Billing

RE Supplier
Payments
Processing

Dual/multiple Billing

Dual billing GEOP
End user Payments
Processing



Delinquency Management

- Failure of RE Supplier to pay
- Failure of End user to pay RE Supplier
- Failure of Dual billing End user to pay DU

How do you make the switch to **GEOP**?



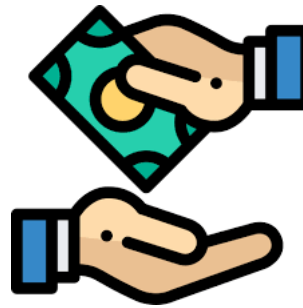
Preparatory activities prior to switch

- ☺ Customer needs to take note of the following activities prior to contracting with RE supplier.



Contractual

- Update your Customer Information with Meralco
- Carefully consider all available suppliers you can contract with
- Thoroughly review your GEOP Supply contract before signing



Financial

- Settle all financial obligations with Meralco
- RE Supplier may require you to pay a deposit



Operational

- Billing cycle must be on 25th of the month
- Ensure operations are aligned with your RE Supplier's service pricing offer

Timeline and activities prior to intended switch effectivity

90 days

- ⌚ GEOP Eligible customer to notify DU of its intent to sign GEOP Supply Contract and to update customer records (i.e. Registered Name, etc.)

30 days

- ⌚ GEOP Eligible customer to notify DU of its signed contract with RE supplier.
- ⌚ GEOP eligible customer to provide copy of signed and notarized CA to CRB, cc RE Supplier
- ⌚ Customer to settle the required Difference in Metering Cost (DIMC) for the DU to replace and install GEOP compliant meter.
- ⌚ Customer to acknowledge the notification letter on the reading date adjustment for DU to proceed with the update of the billing period to every 25th of the month.

16 days

- ⌚ Submission of signed and notarized contracts.
- ⌚ Settlement of the outstanding balance

10 days

- ⌚ Ensure complete switch requirements

Requirements to switch

- ⌚ Customers must comply to the following requirements to switch from the Captive to the GEOP Market also known as **Initial Switch**.

For Compliance to the Distribution Utility

- ⌚ Installed GEOP-compliant meter
- ⌚ Settlement of Difference in Meter Cost (DIMC)
- ⌚ Signed and notarized Connection Agreement
- ⌚ Settlement of all arrears with the DU prior to the switch
 - DU will issue to Supplier an Attestation / Certification of No Outstanding Balance as proof of compliance by the Contestable Customer with its Financial Obligations.
- ⌚ An existing Distribution Wheeling Services Agreement (DWSA)
 - Between the DU and your chosen RE Supplier (Single Billing)
 - With the DU and Customer (Dual Billing)

Request from RE supplier to RMSP* via CRSS**

- ⌚ Metering Installation and Registration Form (MIRF)
- ⌚ Single Line Diagram
- ⌚ ERC Certification of Meter Test Results
- ⌚ Test and Calibration Reports for Instrument Transformers and Meters

*Retail Metering Service Provider

**Central Registration and Settlement System: a B2B platform of IEMOP for registration

*Subject to CRB/IEMOP's GEOP implementation guidelines

Will you still need Meralco after you switch to GEOP?



Distribution Utility (DU) / Network Service Provider (NSP)



Metering Service Provider (MSP)



Supplier of Last Resort (SoLR)

When would you need a Supplier of Last Resort (SOLR)?

- ⌚ RE Supplier /Local RES has ceased to operate
- ⌚ RE Supplier License has expired or been revoked by ERC
- ⌚ GEOP operating permit has been revoked by DOE
- ⌚ DWSA between the RE Supplier and the DU has been terminated
- ⌚ TSA between the RE Supplier/GEOP End User and Transco or its successors-in interest or concessionaire has been terminated.
- ⌚ RE Supplier is no longer permitted to trade electric energy
- ⌚ Failure to renew or secure new GEOP Supply Contract; or
- ⌚ Any other analogous event which the ERC may deem as Last Resort Supply Event

What's in store for the open market?

RCOA



Further lowering of
threshold <500kW



New RE Policies

GEOP



Further lowering of
threshold <100 kW



Aggregation

GEOP Highlights



Qualified End-Users
100kW and above



Metering
Load Profile meters, 5-min
interval, remote-capable



DU's Role
NSP, MSP and SOLR



Billing Scheme
Single or Dual/Multiple



Billing Period
26th to 25th



Transitory Period
3 months

Interested to switch to GEOP?

You may contact your Relationship Manager or reach us via:

Email: corporatepartners@meralco.com.ph

Business Hotline: 16210

The list of accredited Renewable Energy Suppliers are available at the ERC website:
www.erc.gov.ph

Thank you!