

Interruptible Load Program (ILP) Protocol

1 April 2022 Webinar



Program Background

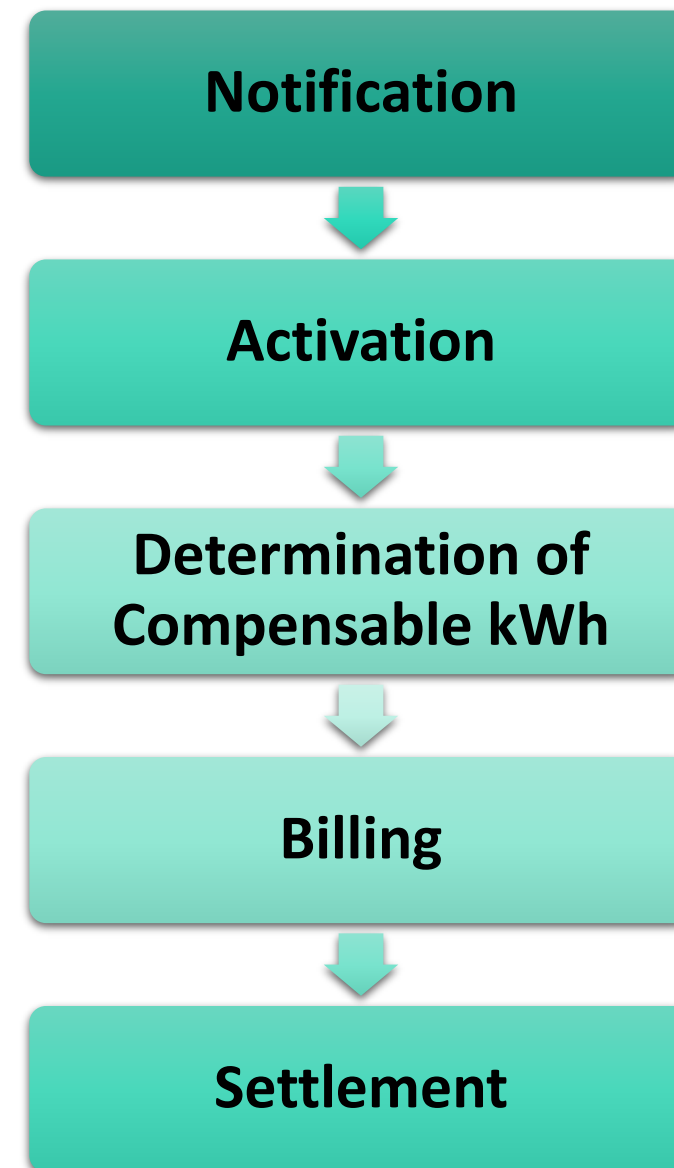
- ILP was promulgated under ERC Resolution No. 8 Series of 2010 and amended by Resolution No. 8 Series of 2013, No. 5 Series of 2015, and No. 3 Series of 2019
- ILP was first implemented in Visayas and Mindanao to ration limited power supply and avert prolonged power outages. In anticipation of a potential power supply shortage in Luzon, DOE initiated ILP implementation in MERALCO in March 2014.
- ILP is a **voluntary**, demand-side management program that allows customers to operate their generating sets and **collectively reduce electricity drawn from the grid when power interruptions are imminent** to ration limited power supply
 - Open to non-contestable customers, contestable customers, locators in economic and freeport zones, and directly-connected customers
 - Prioritizes customers with large loads and requests them to 'de-load' when NGCP issues a **Red Alert** notice
- Protocols, compensation and recovery mechanism are based on ERC guidelines



Program Background

- Under the ILP Agreement, customers interested to participate in ILP are required to: (i) provide committed de-loading capacity and preferred de-loading window, (ii) identify contact person/s for notification, and (iii) finalize baseline consumption profile for computation of de-loaded kWh
- For captive customers the ILP Agreement is between the customer and the DU, while for contestable customers the ILP Agreement is a tripartite agreement among the DU, a Retail Electricity Supplier (RES) or Local RES, and its contestable customer
- As of 25 February 2022, the total capacity available for de-loading in MERALCO's area is 562.40 MW from 123 companies representing 272 participating accounts
- During implementation in 2021, ILP has spared at least 700,000 households from rotating power interruptions

5 Steps to Implementing ILP



5 Steps to Implementing ILP

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NOTIFICATION:

MERALCO's Customer Care directly notifies ILP Participants through their contact persons of grid conditions and possible ILP activation



Notification

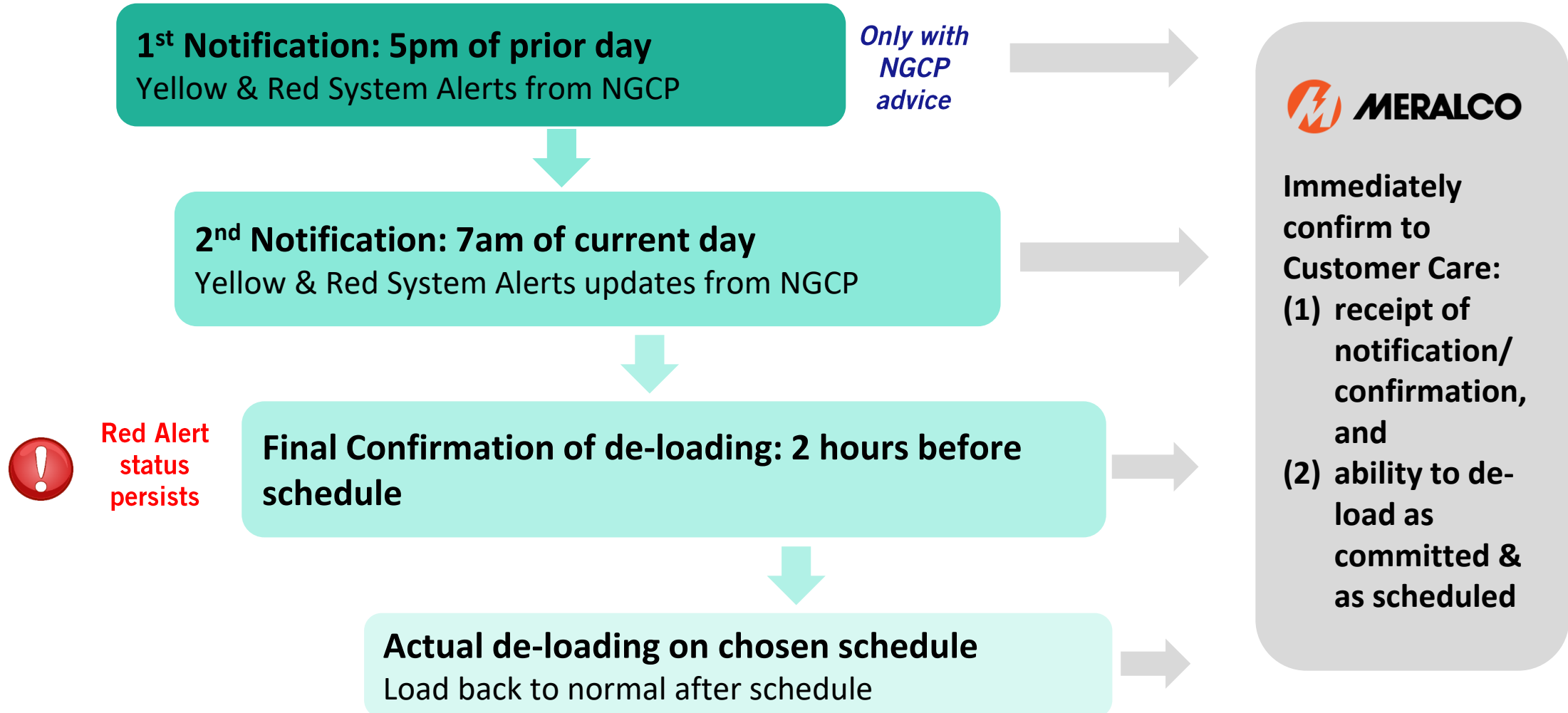
Activation

Determination of
Compensable kWh

Billing

Settlement

ILP Notification Process





Notification Reminders

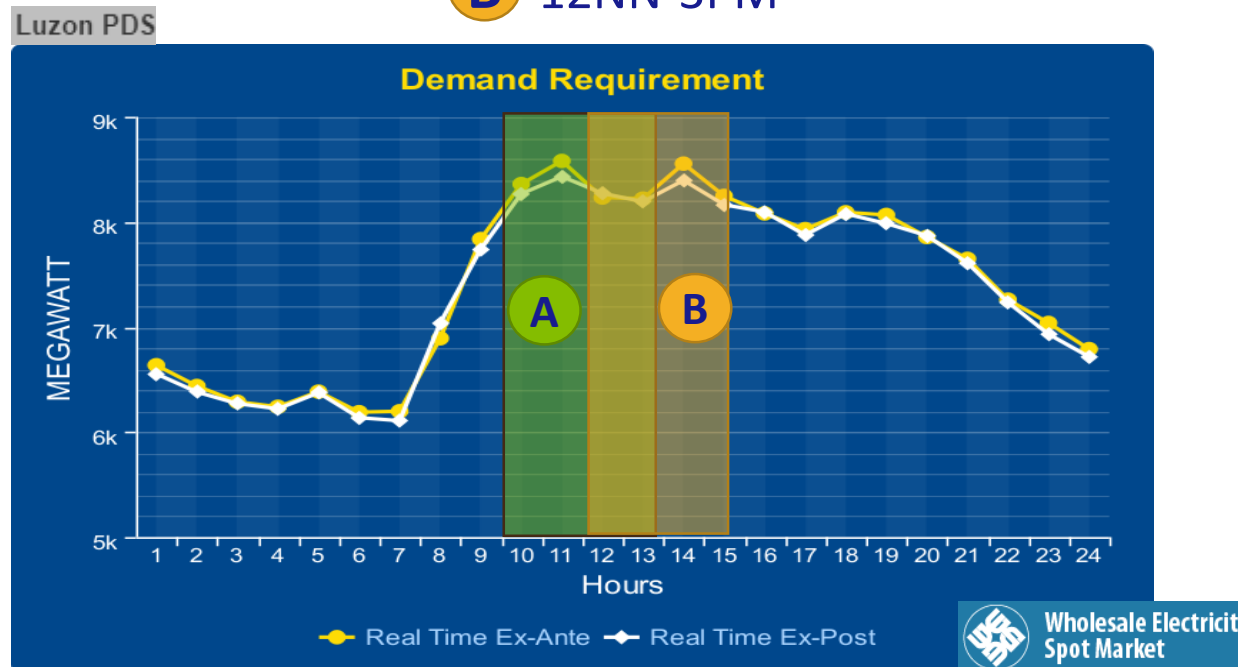
- Make sure to provide the correct landline number, mobile number and email address
- Depending on the level of reserves, the final confirmation notice may also be the first and only notice for de-loading should a large power plant unexpectedly breaks down. This will be an emergency ILP activation.
- Always confirm participation immediately to MERALCO's Customer Care
 - Remember that this will be the basis for compensation
 - Feedback to other MERALCO personnel or Relationship Manager will not be considered as official advice

5 Steps to Implementing ILP

2 ACTIVATION: Participants choose between 2 de-loading windows that capture morning and afternoon peak:

A 10AM-1PM

B 12NN-3PM



Notification

Activation

Determination of
Compensable kWh

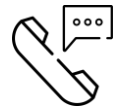
Billing

Settlement



Activation Reminders

- Always ensure ample fuel supply
- De-load immediately once instructed by MERALCO
- Depending on the level of deficiency and time of Red Alert pronouncement by NGCP, participants may be requested to extend de-loading or de-load outside preferred schedules
- If you are unable to continue de-loading during the prescribed de-loading hours, please notify MERALCO's Customer Care immediately and indicate: (1) reason for inability to continue de-loading and (2) estimated time when the problem is expected to be resolved



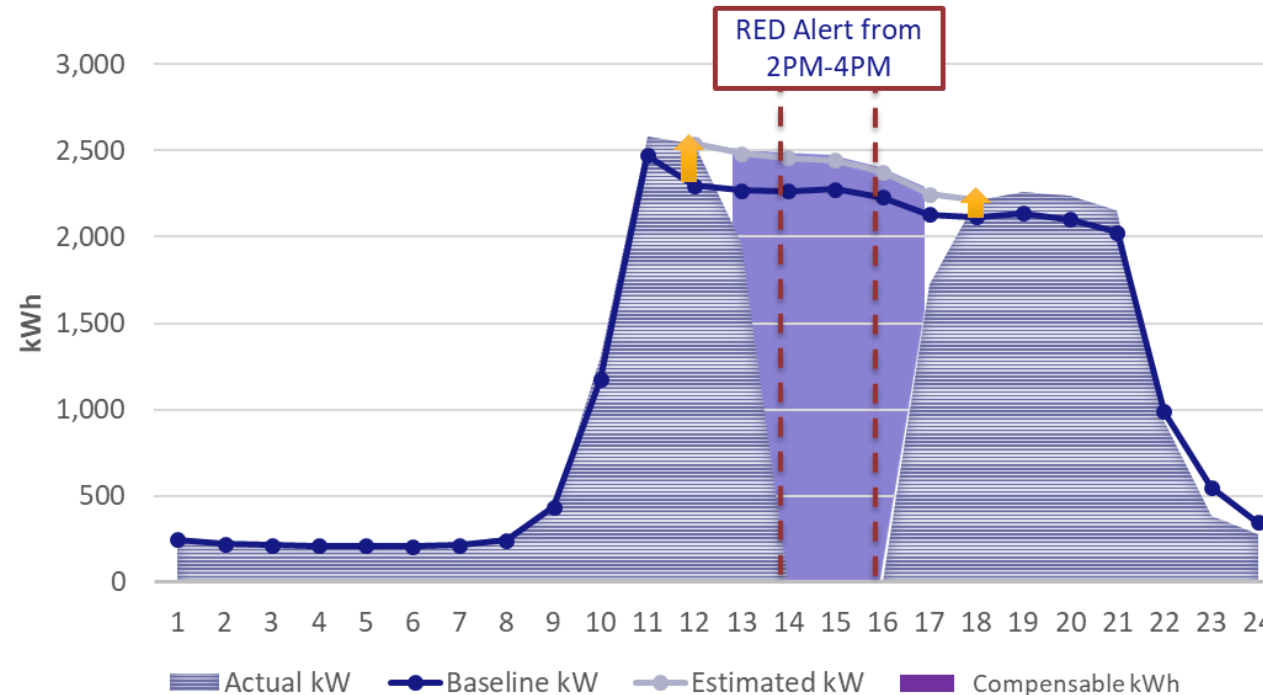
ILP Hotline: 1622-8118

- Load back to normal after the prescribed de-loading window unless an extension has been issued by MERALCO's Customer Care

5 Steps to Implementing ILP

3 DETERMINATION OF COMPENSABLE KWH:

MERALCO will read consumption meters of participating accounts at the same time as the usual reading for billing & tag hours of ILP activation



Notification

Activation

**Determination of
Compensable kWh**

Billing

Settlement

5 Steps to Implementing ILP

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BILLING: MERALCO will compute the De-loading Compensation based on ERC-prescribed formula and send to Participating Customer and/or RES for verification within 7 days from the regular reading date

March 31, 2014

Mr. Juan dela Cruz
Manager
ABC Company
Fort Santiago, Taguig
SIN 123456780101

Dear Sir dela Cruz,

Thank you for participating in the Interruptible Load Program! Below is our computation of the total De-loading Compensation of the SINs covered in our Agreement for [month year]:

	₱11,809.95
	De-loading Compensation without VAT for SIN xxx
+	₱11,809.95
	De-loading Compensation without VAT for SIN xxx
=	₱23,619.90
	Total De-loading Compensation without VAT
+	₱2,834.38
	12% VAT
=	₱26,454.29
	Total De-loading Compensation

Details of the computation per SIN are contained in the attachments. If the amount is acceptable, kindly affix your signature on the designated space below and return the signed copy to us three days upon receipt of the letter. You may send the signed copy via fax at 632-XXXX or via email at xxx@meralco.com.ph.

Kindly also issue us an invoice or statement of account for the Total De-loading Compensation.

Should you have inquiries on the computation or the program, you may call «RM» at 1622-xxxx or email him at meralco.com.ph. Again, thank you for your cooperation, and we hope that you will continue to join us in our efforts to serve our fellow Filipinos.

MERALCO SIGNATORY
<Office>

Conforme: _____
SIGNATURE OVER PRINTED NAME

Position: _____

Contact Details: _____

Notification



Activation



Determination of
Compensable kWh



Billing



Settlement



Billing and Compensation (Amendments)



De-loading Compensation _{pesos}	=	[Incremental De-loading Rate x Compensable kWh]	+	Maintenance Cost
Where:				
Incremental De-loading Rate	=	[Generation Cost of Fuel x Fuel Consumption Rate]	–	PC Average rate
Generation Cost of Fuel	=	Average price of diesel fuel from Petron, Shell and Caltex for the previous month as of the end of the previous calendar month in the city or municipality where the Participating Customer is located		
Fuel Consumption Rate	=	0.28 0.34 liter/kWh		
PC Average Rate	=	Average Rate for the current billing period		
Compensable kWh	=	Actual de-loaded kWh for the current billing period		
Maintenance Cost	=	<i>PhP0.32/kWh x Compensable kWh or PhP23,548.00/month, whichever is lower</i>		

Average Rate refers to the average PhP/kWh paid by the Customer, including Generation, Transmission, Distribution and non-bypassable cost (Universal Charge, FiT-All, Lifeline , VAT, etc)

Art. IV Sec. 1 ERC Resolution No. 5 Series of 2015

5 Steps to Implementing ILP

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SETTLEMENT: The signed conforme letter must be returned to MERALCO within 8 days from receipt.

Upon receipt of the signed conforme letter, MERALCO will process payment within 30 days.

Notification



Activation



Determination of
Compensable kWh



Billing



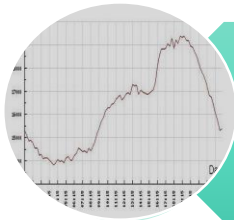
Settlement



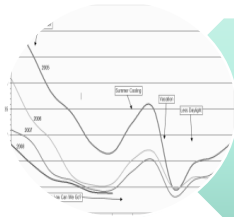
Join the ILP! Update your participation details!



Volunteer to de-load a certain amount of your demand



**Choose a time slot:
10am-1pm only, 12nn-3pm only, flexible**



Establish a baseline load profile



Designate 3 contact persons



Switching?

Finalize the tripartite ILP agreement with your Retail Electricity Supplier (RES) to participate!



THANK YOU!