

# WHAT YOU NEED TO KNOW ABOUT THE GREEN ENERGY OPTION PROGRAM



## GUEST SPEAKERS



**Mylene Capongcol**

Director  
Renewable Energy Management Bureau  
Department of Energy



**Sharon Montaner**

Director  
Market Operations Services  
Energy Regulatory Commission



**Lawrence Fernandez**

Vice President and Head  
Utility Economics  
Meralco



**Sheryl Castro**

Head  
Competitive Market Group  
Meralco



# **Green Energy Option Program**

**GEOP Webinar**

**Ms. Sharon O. Montaner**

**15 October 2021**

# LEGAL BASIS

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**Section 9** of the RE Act mandated the Department of Energy (DOE) to establish a GEOP, which provides End-Users the option to choose RE resources as their sources of energy

**Section 6** of its Implementing Rules and Regulations (IRR) of the RE Act mandated the **Energy Regulatory Commission (ERC)** to issue the necessary **regulatory framework to operationalize the Green Energy Option Program (GEOP)**

**Section 15(e)** of DC 2018-07-0019 provides that the **ERC shall issue the necessary regulatory framework** particularly in setting the technical and interconnection standards and wheeling fees, to affect and achieve the objectives of the GEOP.

# INTRODUCTION



## **ERC Resolution No. 8, Series of 2021**

A Resolution Adopting the Rules for the Green Energy Option Program (GEOP)

Components:

- Annex A: Rules Enabling the Green Energy Option Program (GEOP)
- Annex B-1: Connection Agreement Template
- Annex B-2: Transmission Service Agreement Template
- Annex C-1: Distribution Wheeling Service Agreement Template (For Renewable Energy Suppliers)
- Annex C-2: Distribution Wheeling Service Agreement Template (For GEOP End-Users)

- ☐ Approved: 22 April 2021
- ☐ Published: 19 August 2021
- ☐ Effectivity: 03 September 2021

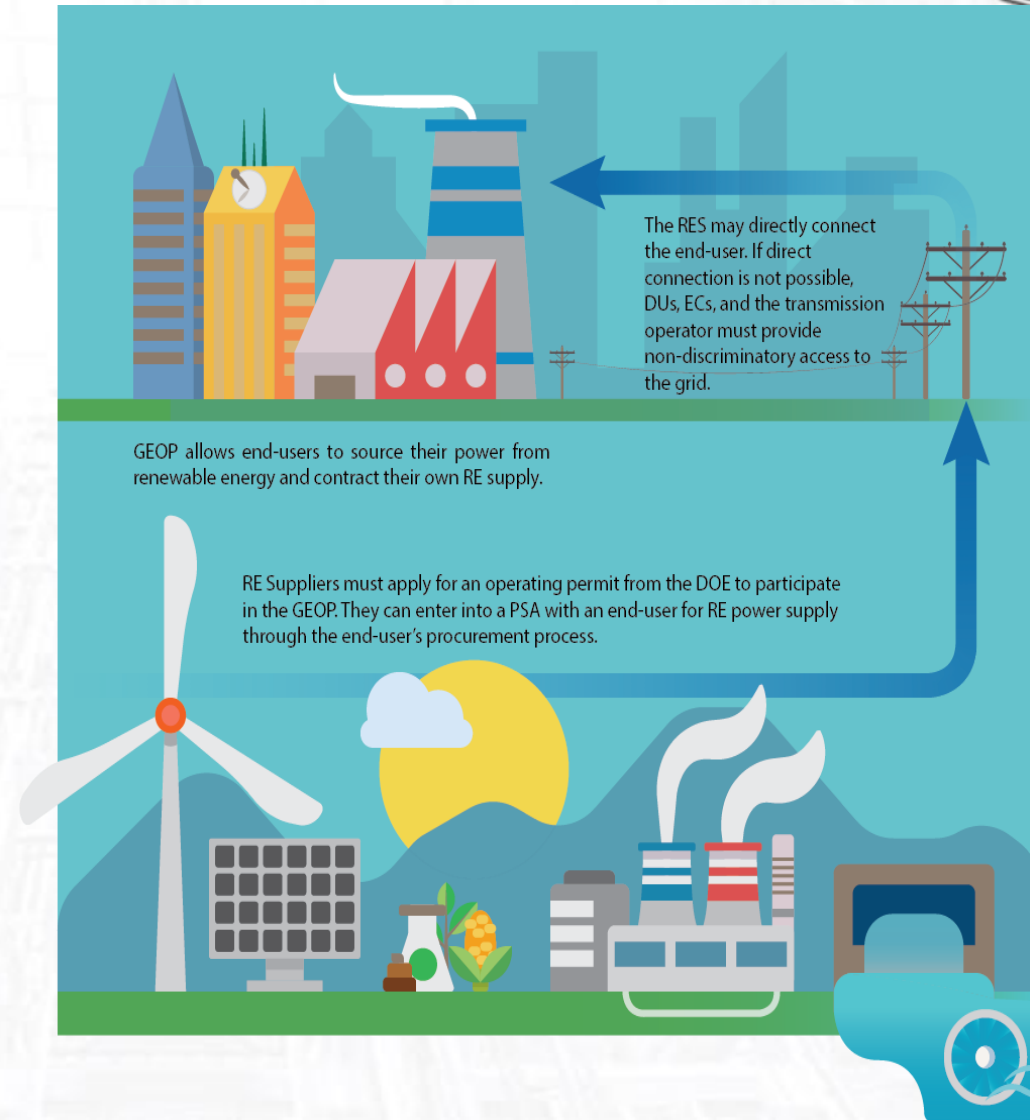
# INTRODUCTION



GEOP is a voluntary policy mechanism that provides electricity end-users **with 100kW and above demand** the option to choose RE resources as their source of energy

It provides options to end-users to contribute in the development and utilization of RE resources in **a least-cost and sustainable manner**

RE Suppliers must secure a **Retail Electricity Supplier (RES) License** from the ERC



# GUIDING PRINCIPLES



An **End-User** who intends to **participate** in the GEOP shall inform **its DU or TransCo** or its successors-in interest or concessionaire.



All **specifications and detailed plans** for the installation of the communication, control, and protective devices shall be of the **Network Service Provider's (NSP) standards**.



The RE System shall conform to the latest version of the **PEC, PDC, PGC, DSOAR, COC Rules, OATS Rules**, the Terms and Conditions of Service and Standard Rules and Regulations, and other Rules as approved by the ERC, and any subsequent amendment/s thereto.

# Who are Eligible to Participate?



All End Users with a monthly average peak demand of  $\geq 100\text{kW}$  *for the past 12 months*

Qualification



Estimated average monthly peak demand for the **next 12 months** is  $\geq 300\text{ kW}$

New Connection



Estimated average monthly peak demand for the next 12 months is **from 100kW to 300 kW** – *shall have registered historical monthly peak demand of at least 100kW for 3 consecutive months*

Newly-Connected

# Notification



*"You are a qualified GEOP End-User; thus you can now choose your preferred Renewable Energy Supplier."*

*For more details, including procedures for switching to your preferred Renewable Energy Supplier, please refer to Resolution No. 8, Series of 2021, which can be accessed at [www.erc.gov.ph](http://www.erc.gov.ph)."*

Average peak demand drops below 75% of 100kW for six (6) consecutive months

RE Supplier shall send a written request to the DU, with confirmation from CRB and MSP

GEOP End-User shall be reverted to the Captive Market

# Who are Eligible to Participate?



And for End-Users with average peak demand below 100 kW may also participate in the GEOP, after the DOE, in consultation with NREB and industry stakeholders, determines that the technical requirements and standards are already met. Separate Rules will be issued after proper determination.

## PURPOSE

With outstanding  
balance with DU or  
TransCo or its  
successors-in-  
interest or  
concessionaire

Settle the  
outstanding balance

Switch

# Application for Interconnection



**End-User seeking a new connection to the:**

## **1. Distribution System**

- follow the distribution connection procedures in Section 4.3 of the PDC.

## **2. Transmission Grid**

- obtain approval from the DOE in accordance with Section 5 of DC2020-01-0001; and
- follow the standards, requirements, measurements and guidelines in Chapter 4 of the PGC, OATS Rules, and other related regulatory issuances.



# Metering



An appropriate meter shall be installed, capable of registering energy use and demand recorded at **5-minute intervals**.



**All meter and meter installation costs shall be borne by the MSP.** However, if the GEOP End-User has **existing meter**, the **difference in cost** between the old meter and the new meter, including the upgrade and reprogramming shall be **borne by the GEOP End-User**.

# Connection Agreement

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Upon request by an **End-User** for the **Switch**, the **DU** shall enter into a **Connection Agreement (CA)** with the requesting **GEOP End-User**.

If an **End-User** transfers from the **Captive Market** to the **GEOP Market**, its **bill deposit shall be returned** by the **DU** **within thirty (30) calendar days** from the termination of the service Contract.



# Transmission Service Agreement

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Subject to technical considerations and without discrimination, and upon request by an End-User, **TransCo or its successors-in interest or concessionaire** shall enter into a **Transmission Service Agreement (TSA)** with the requesting **GEOP End-User**.



# **Distribution Wheeling Service Agreement (DWSA)**

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**Single Billing Scheme:  
RE Supplier and DU**

**Dual/ Multiple Billing Scheme:  
GEOP End-User and DU**

# Billing Schemes

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## **Single Billing**

(Consolidated bill from RE Supplier)

- Billing and payments to GEOP End-Users
- Collection from GEOP End-Users

## **Dual/ Multiple Billing**

(Separate bills from entities)

- Contract for power (RE Supplier/s or WESM)
- Contract with DU

# **Distribution Wheeling Service Agreement (DWSA)**

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**Single Billing Scheme:  
RE Supplier and DU**

**Dual/ Multiple Billing Scheme:  
GEOP End-User and DU**

# **Conditions for Switching**

# End-User's Obligations



**Notify the DU/ TransCo or its successors-in interest or concessionaire of its intention to participate in the GEOP, at least ninety (90) calendar days prior to its intended signing of a GEOP Supply Contract with an RE Supplier.**



**Notify its NSP and the CRB its signed contract with an RE Supplier at least thirty (30) calendar days prior to the start of supply;**



**Fulfill its contractual obligations.  
Enter into CA/TSA, MSA, DWSA (as applicable) and provide these documents to CRB**



**Enter into GEOP Supply Contract**

# RE Supplier's Obligations

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- ❑ Secure a Retail Electricity Supplier's (RES) License from the ERC
- ❑ Register as an RE Supplier with the PEMC/MO, CRB and RE Registrar
- ❑ Inform the GEOP End-User of its option to choose between a single or multiple/dual billing scheme
- ❑ Enter into a DWSA

# RE Supplier's Obligations

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- ❑ Enter into a TSA with TransCo or its successors-in interest or concessionaire, in case of DCCs
- ❑ Notify the GEOP End-User's DU/Transco or its concessionaire, and the CRB or via the DU or CRB hotline, of the required information regarding the GEOP End-User's signed contract with an RE Supplier at least thirty (30) calendar days prior to its effectivity
- ❑ Inform the CRB of the occurrence of any of the following Last Resort Supply Events

# Network Service Provider's Obligations



- ❑ Inform the End-User of the transmission, distribution services, and other charges, segregated and unbundled, by way of its monthly electric bill;
- ❑ Submit to the CRB the following information in respect of the End-Users who signified interest to participate in the GEOP, that already met the required demand threshold:
  - i. Name;
  - ii. Billing and service addresses;
  - iii. Account number;
  - iv. Contact information (telephone numbers and e-mail addresses);
  - v. Meter number;
  - vi. Meter specifications (interval metering, channels); and
  - vii. Site and Equipment Identification Number of the grid metering point of the Distribution Utility where the supply of the end user passes through.

# Network Service Provider's Obligations

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- ❑ Enter into a DWSA with the RE Supplier/GEOP End-User
- ❑ Perform its contractual obligations to the End-User/RE Supplier
- ❑ Be the default Supplier of Last Resort (SOLR)

# Reversion to the Captive Market



1. The GEOP End-User may revert to being a Captive End-User at any time, subject to the following conditions or circumstances:
  - a) Fulfillment of its contractual obligations to the RE Supplier/s;
  - b) GEOP End-User's average peak demand has decreased below 75% of 100kW;
  - c) Upon the occurrence of any of the following Last Resort Supply Events; and
  - d) The GEOP End-User's contract with the SOLR exceeded the maximum allowed period.
2. The GEOP End-User may only exercise its option to revert to being a Captive End-User once every twelve (12) months.

# Conditions for Resorting to SOLR



The GEOP End-User, who opts to remain a GEOP End-User, may avail of the services of the SOLR upon the occurrence of any of the following Last Resort Supply Events:

- a. The RE Supplier has ceased to operate;
- b. The RE Supplier's RES license has expired or been revoked by ERC;
- c. GEOP Operating Permit has been revoked by DOE;
- d. The DWSA between the RE Supplier and the DU has been terminated;
- e. The TSA between the RE Supplier/GEOP End-User and TransCo or its successors-in interest or concessionaire has been terminated;
- f. The RE Supplier is no longer permitted to trade electric energy through the WESM;
- g. Failure to renew or secure a new GEOP Supply Contract; or
- h. Any other analogous event which the ERC may deem as a Last Resort Supply Event.

# SOLR Obligations



1. **The SOLR shall maintain the supply of electricity to such GEOP End-Users until assumption of supply by a new RE Supplier or reversion of the End-User to the Captive Market.**
2. The SOLR may purchase power, preferably RE sources from the WESM and/or through a bilateral contract with Independent Power Producers (IPPs).
3. The SOLR shall administer the process of transferring those GEOP End-Users, who opted to avail of its SOLR service, which may include but not limited to metering and billing arrangements.
4. **The GEOP End-User is responsible for paying all charges based on the SOLR rate for the duration of Last Resort Supply.**
5. The SOLR is required to collect Universal Charge (UC), FIT-All and other applicable charges from all of its GEOP End-Users on a monthly basis, and shall comply with the Rules issued by ERC.

# SOLR Service Term

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If a GEOP End-User does not transfer to another RE Supplier or revert to the Captive Market at the end of its first Billing Cycle, the SOLR Contract shall be automatically renewed up to a maximum of two (2) more billing cycles.



# SOLR RATE



WESM nodal energy price, or the bilateral contract entered into for the purposes of providing SOLR service, whichever is higher, **plus a five percent (5%) premium.**



# TRANSITORY PERIOD

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**Transition period of three (3) months** from the promulgation of these Rules shall be observed.

# RCOA vs GEOP



| RCOA                                                                                                                                                                       |  | GEOP                                                                                                                                                                        |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Threshold                                                                                                                                                                  |  |                                                                                                                                                                             |  |
| ✓ 500 kW and above                                                                                                                                                         |  | ✓ 100kW and above                                                                                                                                                           |  |
| Eligible Technologies                                                                                                                                                      |  |                                                                                                                                                                             |  |
| <input type="checkbox"/> <u>Conventional</u><br>Coal and Oil-based                                                                                                         |  | <input type="checkbox"/> <u>Renewable Energy</u><br>Biomass                      Geothermal,<br>Solar                          Hydro<br>Wind                          Ocean |  |
| <input type="checkbox"/> <u>Renewable Energy</u><br>Biomass                      Geothermal<br>Solar                          Hydro<br>Wind                          Ocean |  |                                                                                                                                                                             |  |
| Permits and Licenses                                                                                                                                                       |  |                                                                                                                                                                             |  |
| ✓ RES License                                                                                                                                                              |  | ✓ RES License<br>✓ Operating Permit                                                                                                                                         |  |

# RCOA vs GEOP



| RCOA                                                                                                                                                                                                         | GEOP                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reversion to Captive Market                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"><li>❖ Not allowed</li><li>❖ average peak demand has decreased to less than 25% of the threshold for the preceding six (6) month period, subject to ERC approval.</li></ul> | <ul style="list-style-type: none"><li>a) GEOP End-User's average peak demand has decreased below 75% of 100kW;</li><li>b) Upon the occurrence of any of the following Last Resort Supply Events; or</li><li>c) The GEOP End-User's contract with the SOLR exceeded the maximum allowed period.</li></ul> |

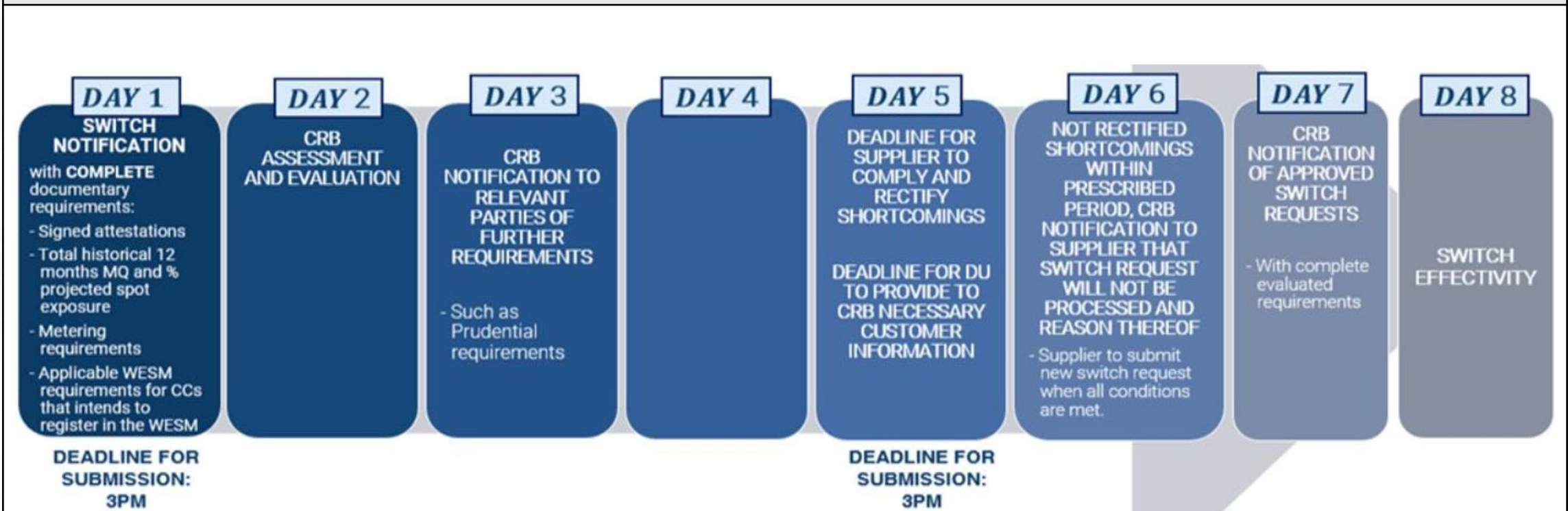
# RCOA vs GEOP



**RCOA**

**GEOP**

## Switching Timeline



**The same 7-day Switching**

**Thank You!**