



Interruptible Load Program (ILP)

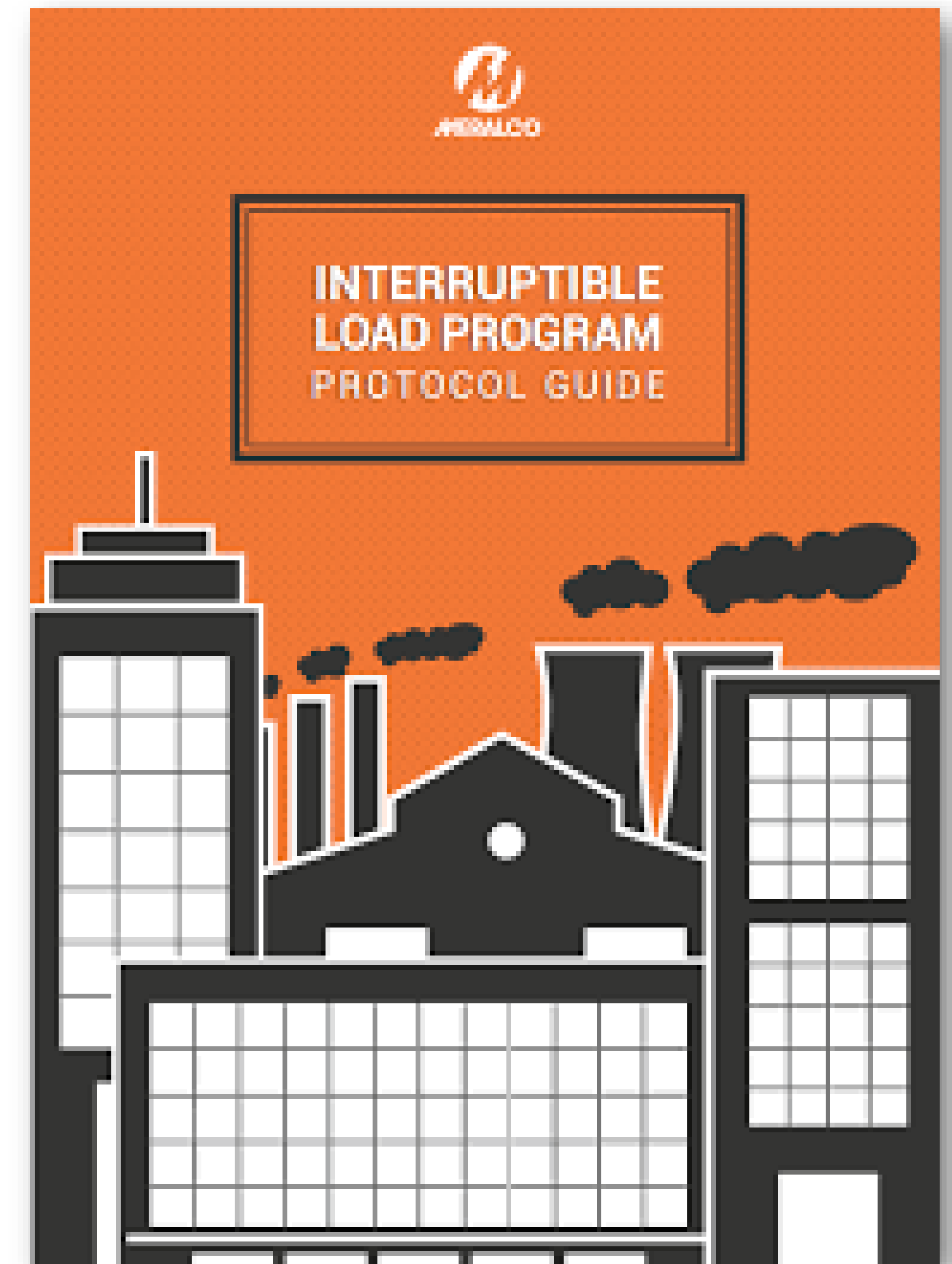
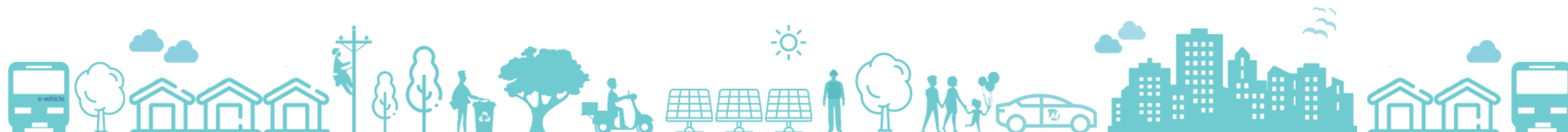
APRIL 19, 2024



About the Interruptible Load Program (ILP)

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.

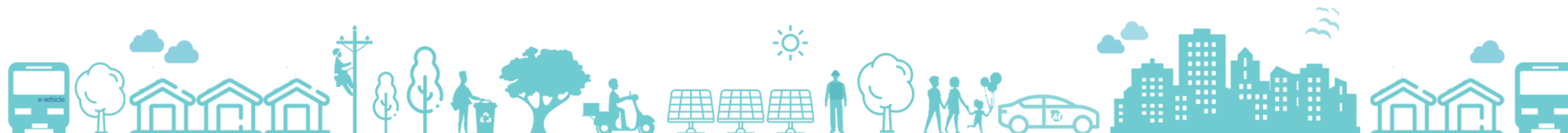
ILP was first implemented in Visayas and Mindanao to ration limited power supply and avert prolonged power outages. **In anticipation of a potential power supply shortage in Luzon, DOE initiated ILP implementation in MERALCO in March 2014.**



About the Interruptible Load Program (ILP)

ILP is a voluntary, demand-side management program that allows customers to **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
- Can be implemented by (i) DUs in their respective franchise, or (ii) NGCP for directly-connected customers, PEZA, ecozone utility enterprise and other DUs



About the Interruptible Load Program (ILP)

- The ILP Agreement, protocol, as well as the compensation and recovery mechanism, are part of ERC Resolution No. 5 Series of 2015
 - For captive customers, the ILP Agreement is between the customer and the DU
 - 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
- **The ILP Agreement automatically terminates if: (i) a captive customer switches to the contestable market, and (i) a contestable customer switches from one RES to another**

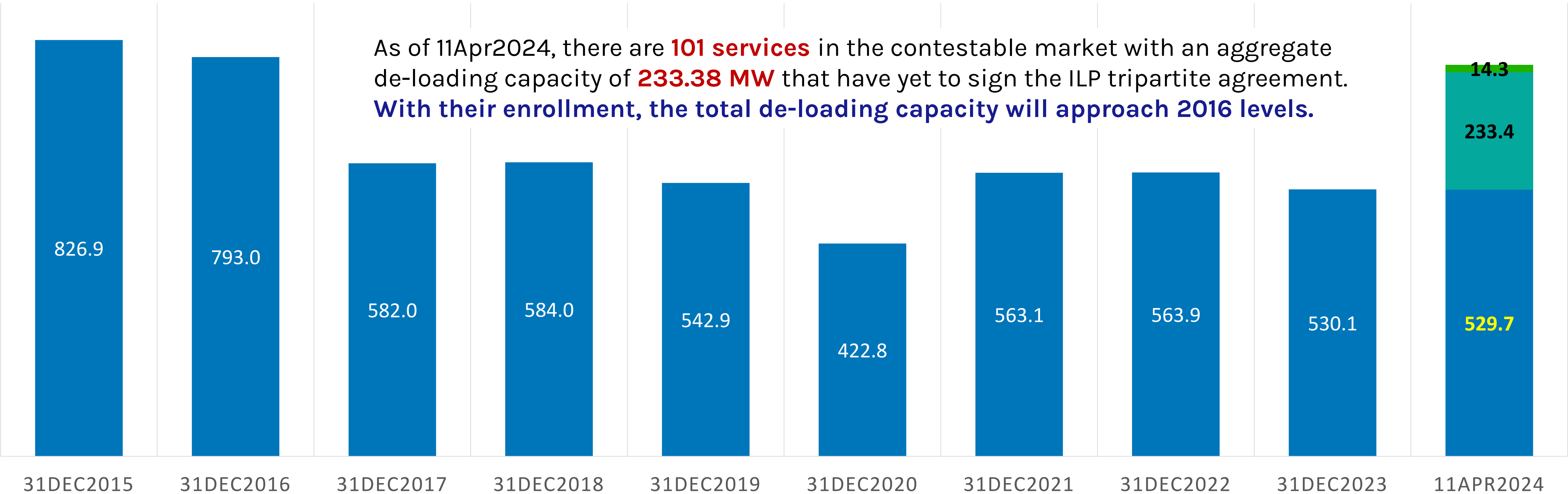


About the Interruptible Load Program (ILP)

As of April 2024, the total capacity available for de-loading in MERALCO's area is **529.67 MW** from **103 companies** representing **239 participating services**.

MERALCO ILP DE-LOADING CAPACITY (MW) WITH SIGNED AGREEMENTS

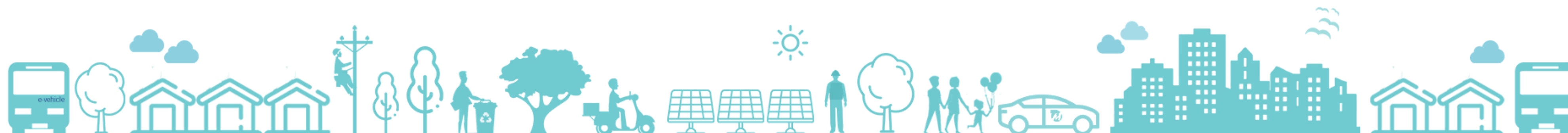
Signed Potential Contestable Potential Captive



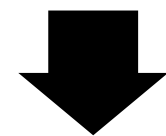
Source: MERALCO Annual Reports

About the Interruptible Load Program (ILP)

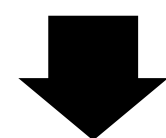
Since its implementation in 2014, MERALCO ILP has spared as many as **1.8 million households** from rotating power interruptions.



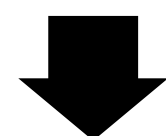
Notification



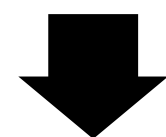
Activation



**Determination of
Compensable kWh**



Billing



Settlement

5 Steps to Implementing ILP



5 Steps to Implementing ILP

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



Notification



Activation



Determination of
Compensable kWh

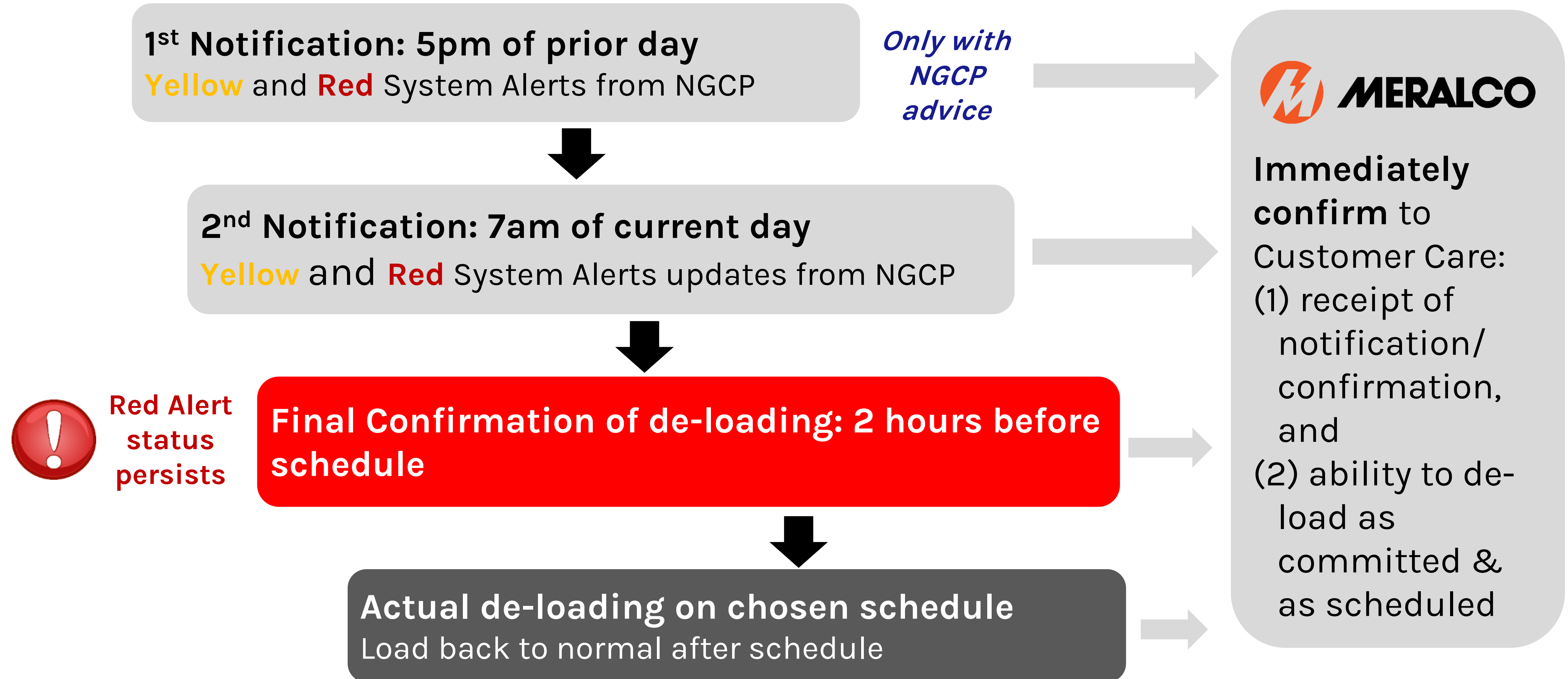
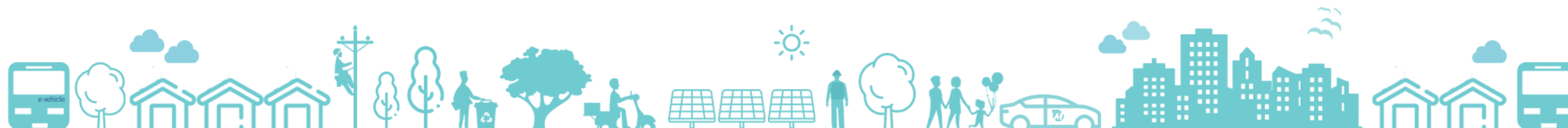


Billing



Settlement

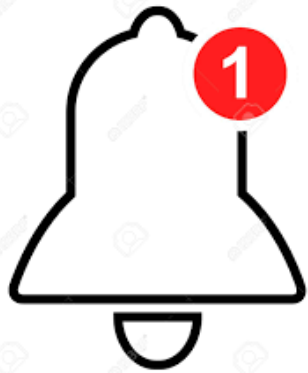
ILP Notification Process



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.



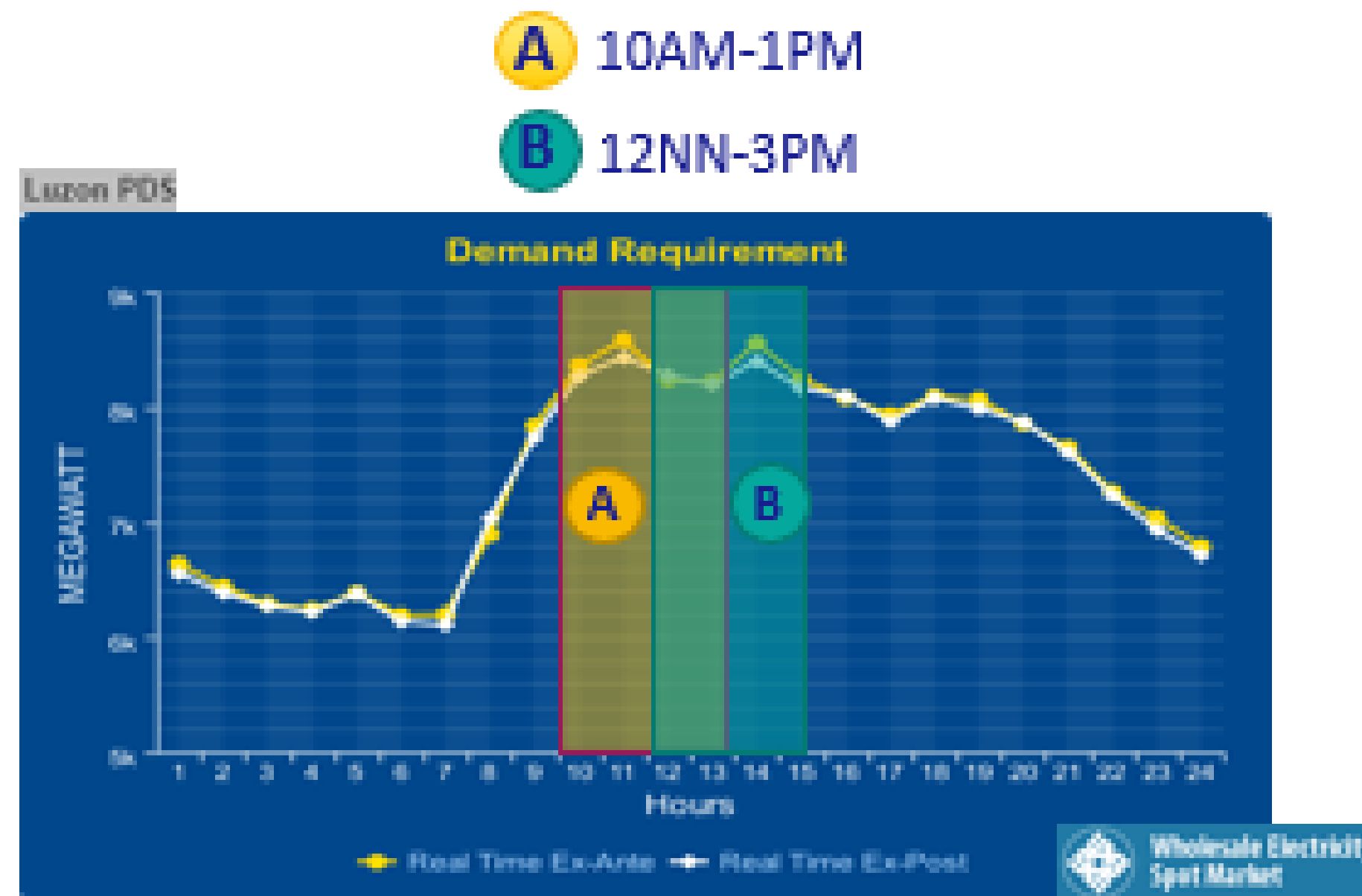
Always confirm participation immediately to **MERALCO's Customer Care (1622-8118)**

- 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** peaks:



Participants can also choose the “**flexible**” option for possible de-loading in the morning and/or afternoon.

Notification

Activation

Determination of
Compensable kWh

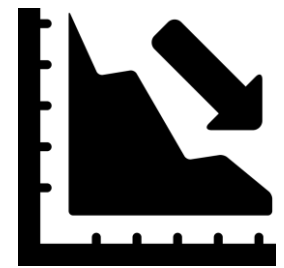
Billing

Settlement

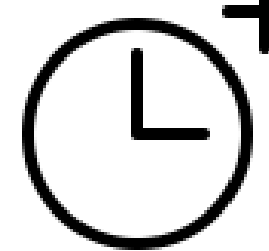
Activation Reminders



Always ensure **ample fuel supply**



De-load **immediately** once instructed by MERALCO



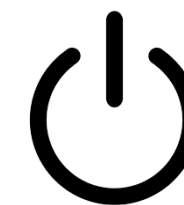
Depending on the level of deficiency and time of Red Alert pronouncement by NGCP, participants may be requested to **extend de-loading** or de-load outside preferred schedules



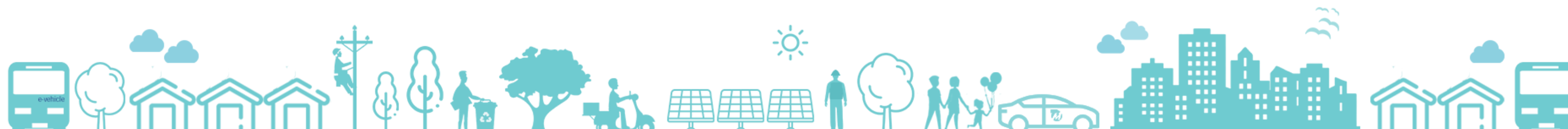
If you are unable to continue de-loading during the prescribed de-loading hours, please notify **MERALCO's ILP hotline (1622-8118)** immediately and indicate:

(1) reason for inability to continue de-loading and

(2) estimated time when the problem is expected to be resolved

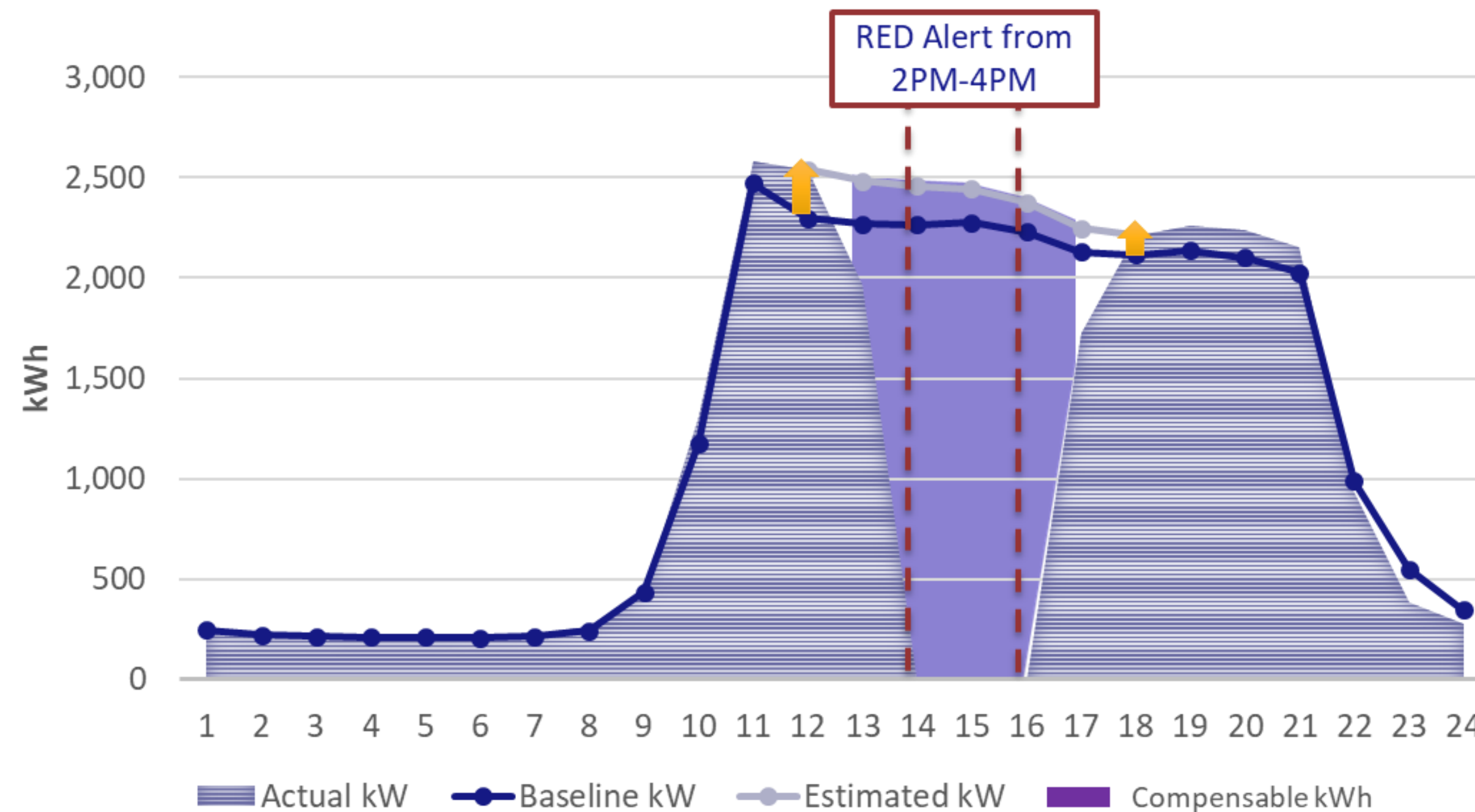
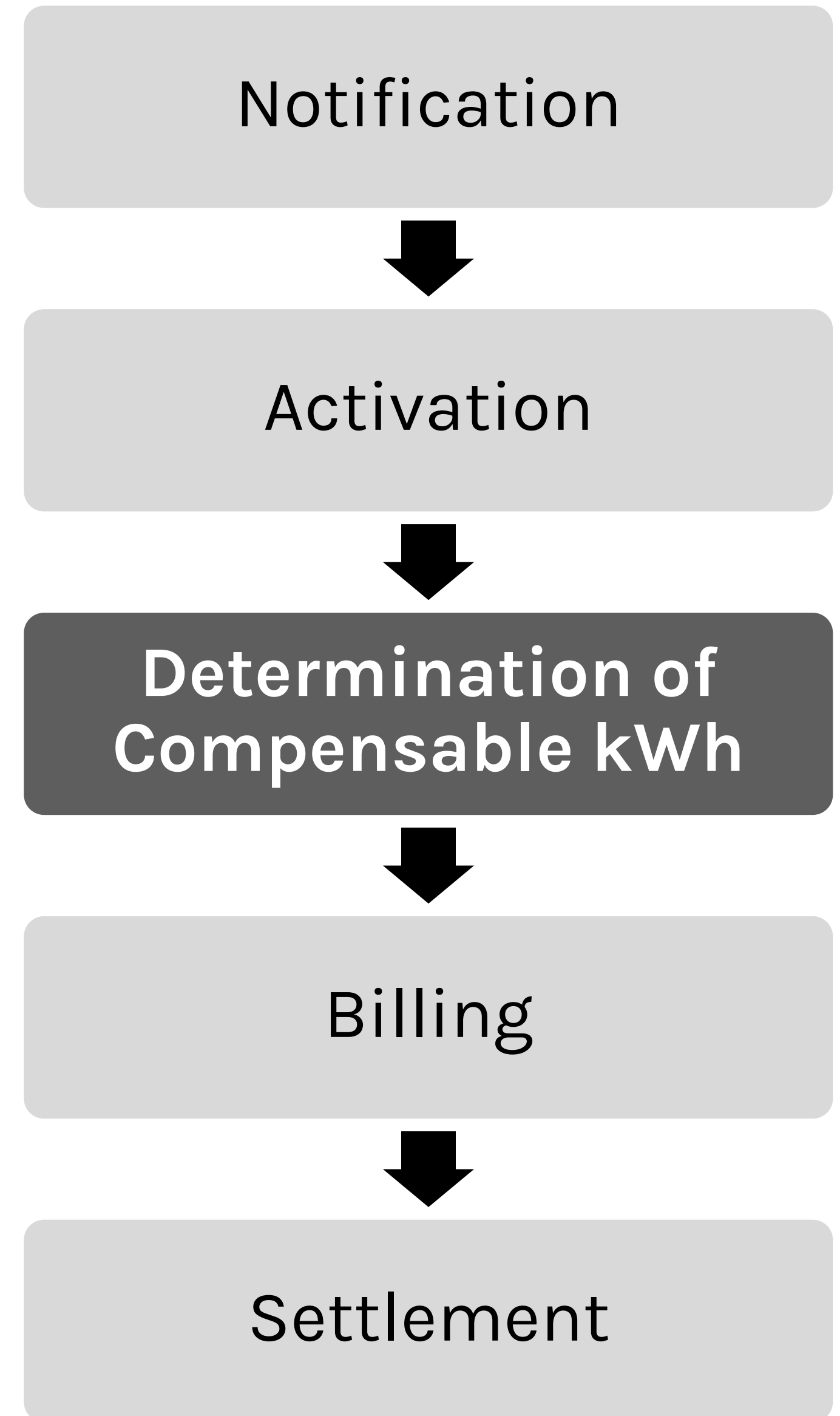


Switch back to normal operations after the prescribed de-loading schedule unless an extension has been issued by MERALCO's Customer Care



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

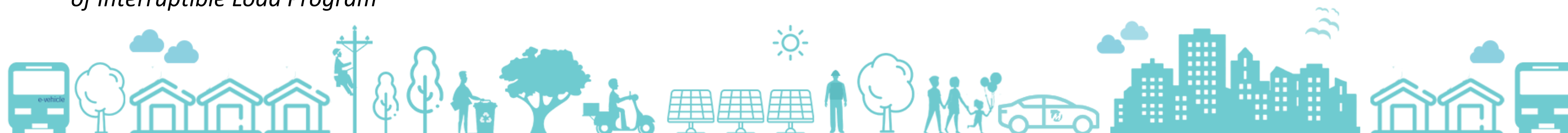


BCQ Re-declaration Timeline



- At the end of each activation, MERALCO shall advise: (i) the RES of contestable customers that confirmed participation in ILP, and (ii) IEMOP of the ILP activation
- MERALCO shall: (i) read consumption meters at the same time as the usual reading for billing and compute the Compensable kWh, and (ii) submit the computed Compensable kWh of participating contestable customers to their respective RESs
- RES shall: (i) validate with its contestable customer the computed Compensable kWh, (ii) submit to MERALCO the confirmed Compensable kWh, along with the allocation of re-declared BCQ per GenCo, and (iii) **submit to its GenCos the revised nominations with the Compensable kWh of their contestable customers allocated to MERALCO**
- **GenCo shall re-declare its BCQ nomination with the Compensable kWh deducted from its BCQ to the RES and declared as BCQ to MERALCO**

Reference: ILP Tripartite Agreement and 2015 Interim Protocol for the Declaration of Bilateral Contract Quantities During the Implementation of Interruptible Load Program



5 Steps to Implementing ILP

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

For the Participating Contestable Customer, the Payment for Re-declared BCQ will be sent to the **RES** **within 7 business days from the 26th day of the month.**

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.

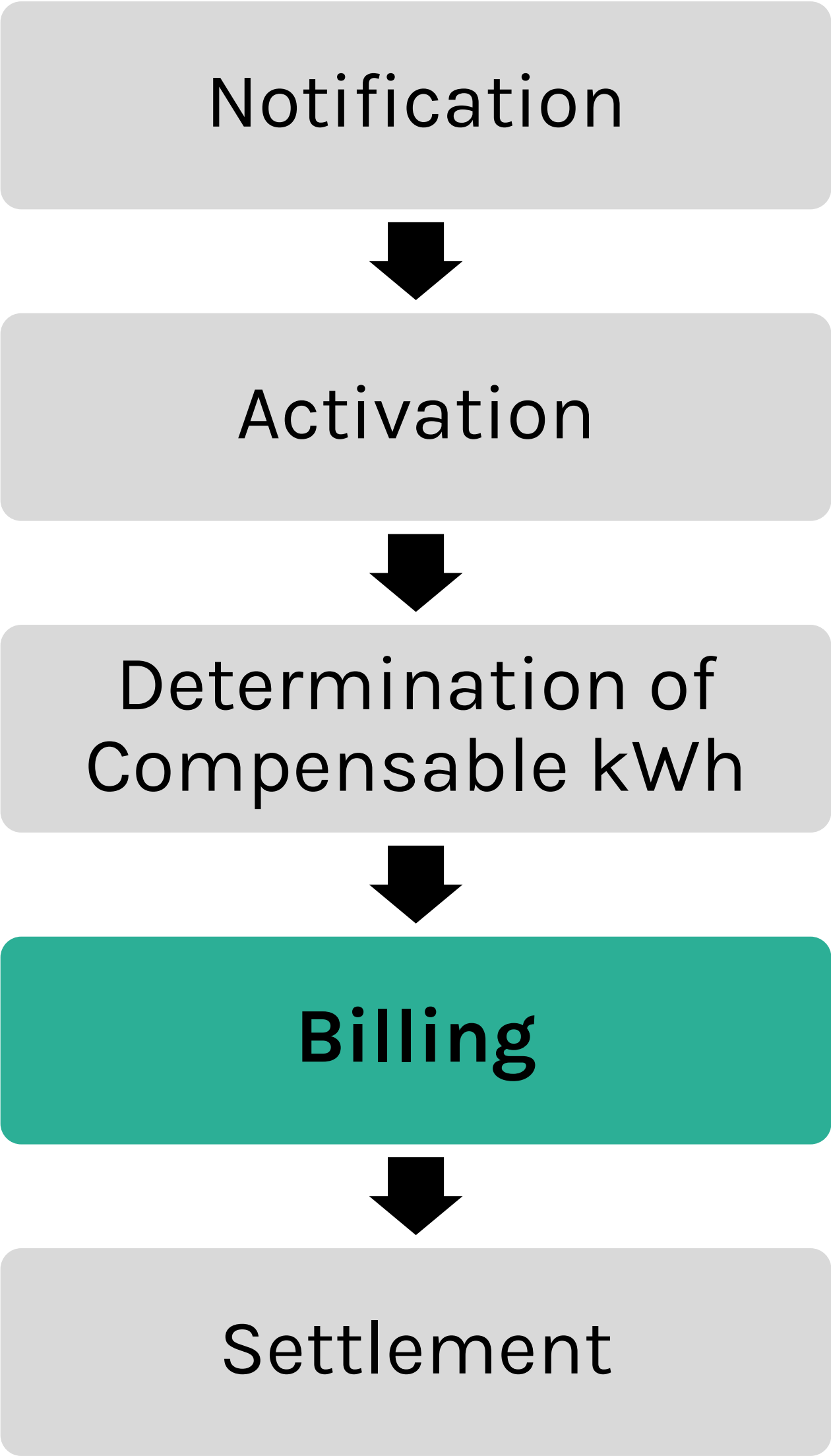
Should you have inquiries on the computation or the program, you may call <RM> at 1622-xxxx or email him at xxx@meralco.com.ph. Again, thank you for your cooperation, and we hope that you will continue to join us in our efforts to serve our fellow Filipinos.

MERALCO SIGNATORY
<Office>

Conforme: _____
SIGNATURE OVER PRINTED NAME

Position: _____

Contact Details: _____

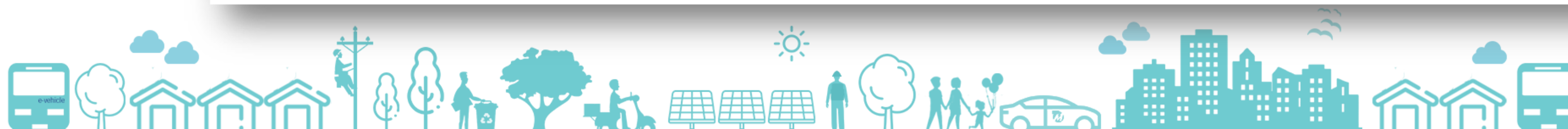


Billing and Compensation (Amendments)

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	=	PhP0.32/kWh x Compensable kWh or PhP23,548.00/month, whichever is lower		

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



Sample Computation

	Captive	RES / Contestable
Generation Cost of Fuel, PhP/kWh Average diesel pump price, PhP65/L	22.10	22.10
Average Rate, PhP/kWh	10.10 All-in Rate	3.10 DWS: includes transmission, system loss, distribution, supply, metering and other non-bypassable charges
Incremental De-loading Rate, PhP/kWh (A)	12.00	19.00
Maintenance Cost, PhP/kWh (B)	0.32	0.32
Compensable kWh (C)	100,000	100,000
PhP	1,232,000.00 Paid to Participant	1,932,000.00 Paid to RES* for Compensable kWh of Participating Contestable Customers

* Billing and settlement will be between the RES and contestable customer



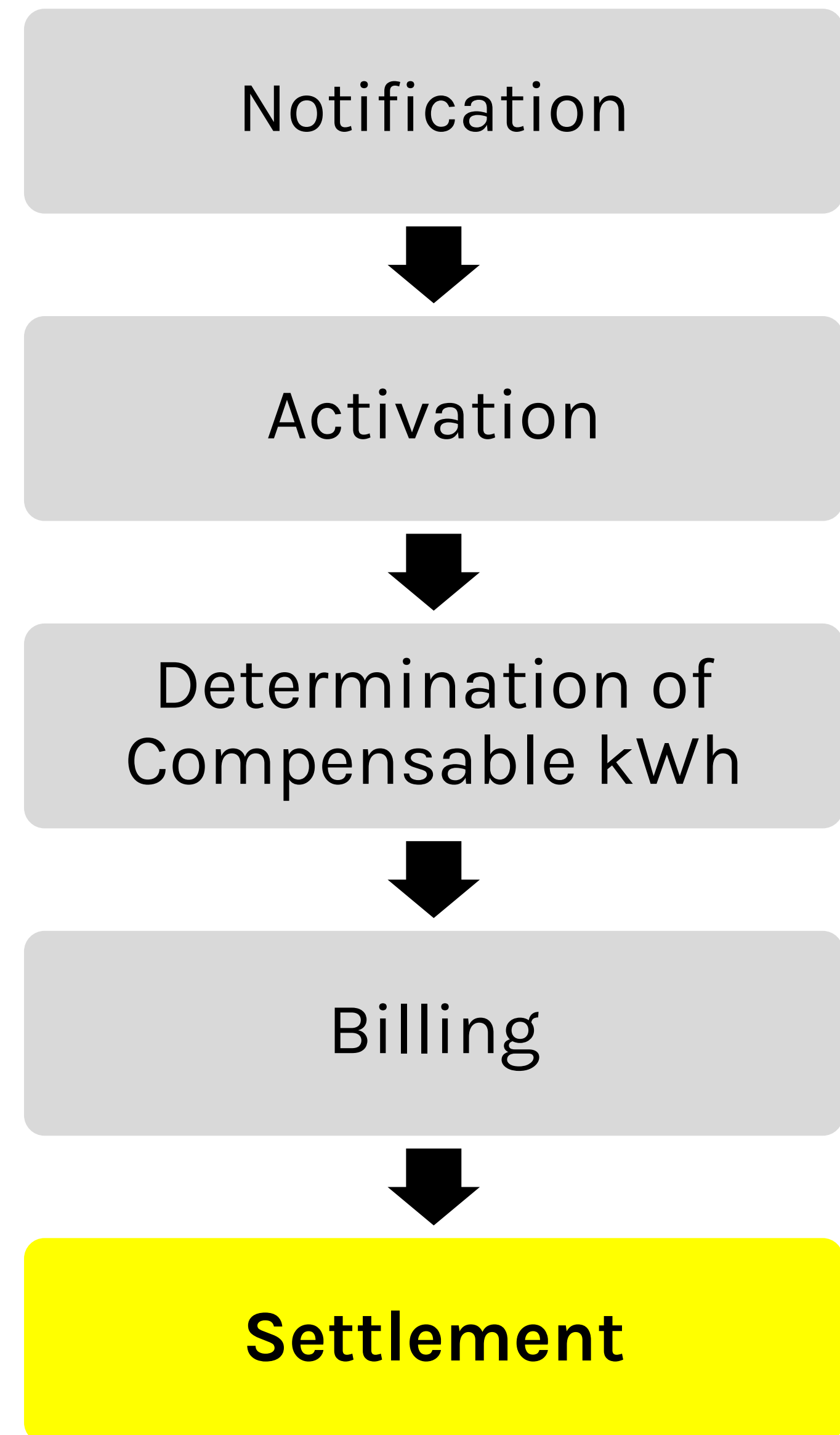
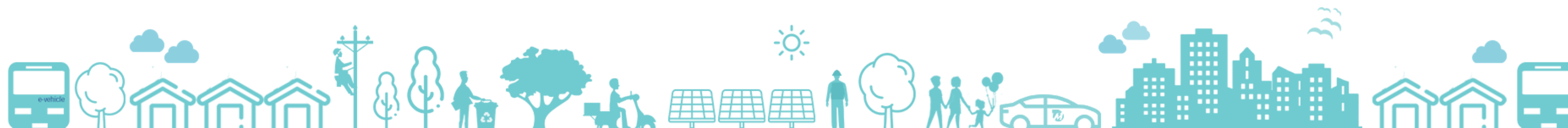
5 Steps to Implementing ILP

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SETTLEMENT: The signed conforme letter must be returned by the Participating Captive Customer to MERALCO within 3 business days from receipt, and by the RES to MERALCO within 2 business days from receipt.

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

For the Participating Contestable Customer, the RES shall compute and pay the De-loading Compensation in accordance with the relevant agreement between the Participating Contestable Customer and the RES.



Billing & Settlement Reminders



- For Participating Captive Customers, **submit necessary documents (e.g., BIR Certificate of Registration) upon enrollment** to avoid delays in processing of payment. Upon MERALCO's payment of the De-loading Compensation, the Participating Captive Customer shall issue to MERALCO an Official Receipt with Authority to Print.

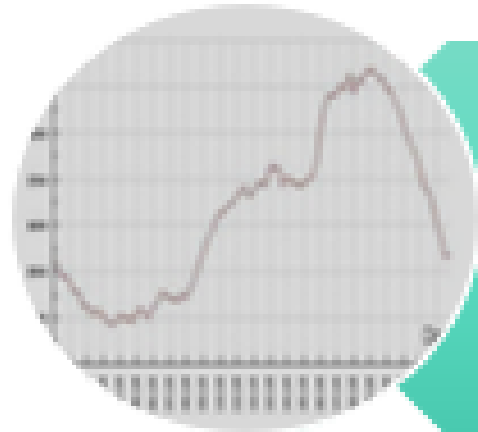


- For RESs, **facilitate enrollment of MERALCO as GenCo's supply customer upon execution of the ILP Tripartite Agreement** to comply with BCQ Re-declaration timeline and ensure the re-declaration of the Compensable kWh by the GenCos is in favor of MERALCO.

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

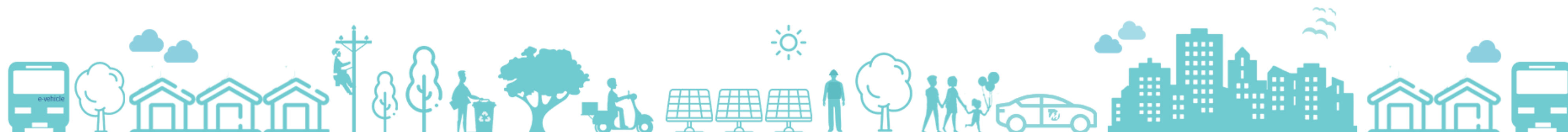


Designate 3 contact persons





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



Thank you!

