



RETAIL COMPETITION & OPEN ACCESS (RCOA)

EMPOWERING YOUR BUSINESSES,
YOUR WAY

The purpose of this manual is to provide information and clarity for customers on the rules of Retail Competition and Open Access (RCOA) issued by the Energy Regulatory Commission (ERC) and the Department of Energy (DOE). These rules and regulations are subject to change by the ERC and the DOE at any given time.

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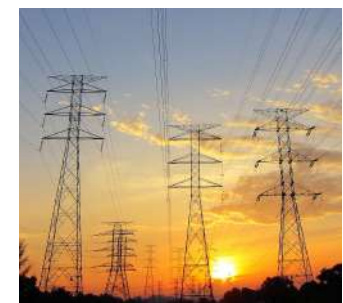
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An Introduction to Retail Competition and Open Access (RCOA)

WHAT IS RCOA?

Retail Competition and Open Access is part of the Republic Act 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001. It allows CONTESTABLE CUSTOMERS to choose their preferred retail electricity suppliers, as opposed to Captive Markets who must stay with their respective Distribution Utilities (DUs) for their electricity requirements. RCOA aims to achieve the following:

RCOA ENVISIONS

Consumer Empowerment

Promotes customer CHOICE on their energy requirements, terms, and conditions.

Competitive Rates

Buying and selling of electricity from more retail electricity suppliers at reasonable prices.

An Interactive Market

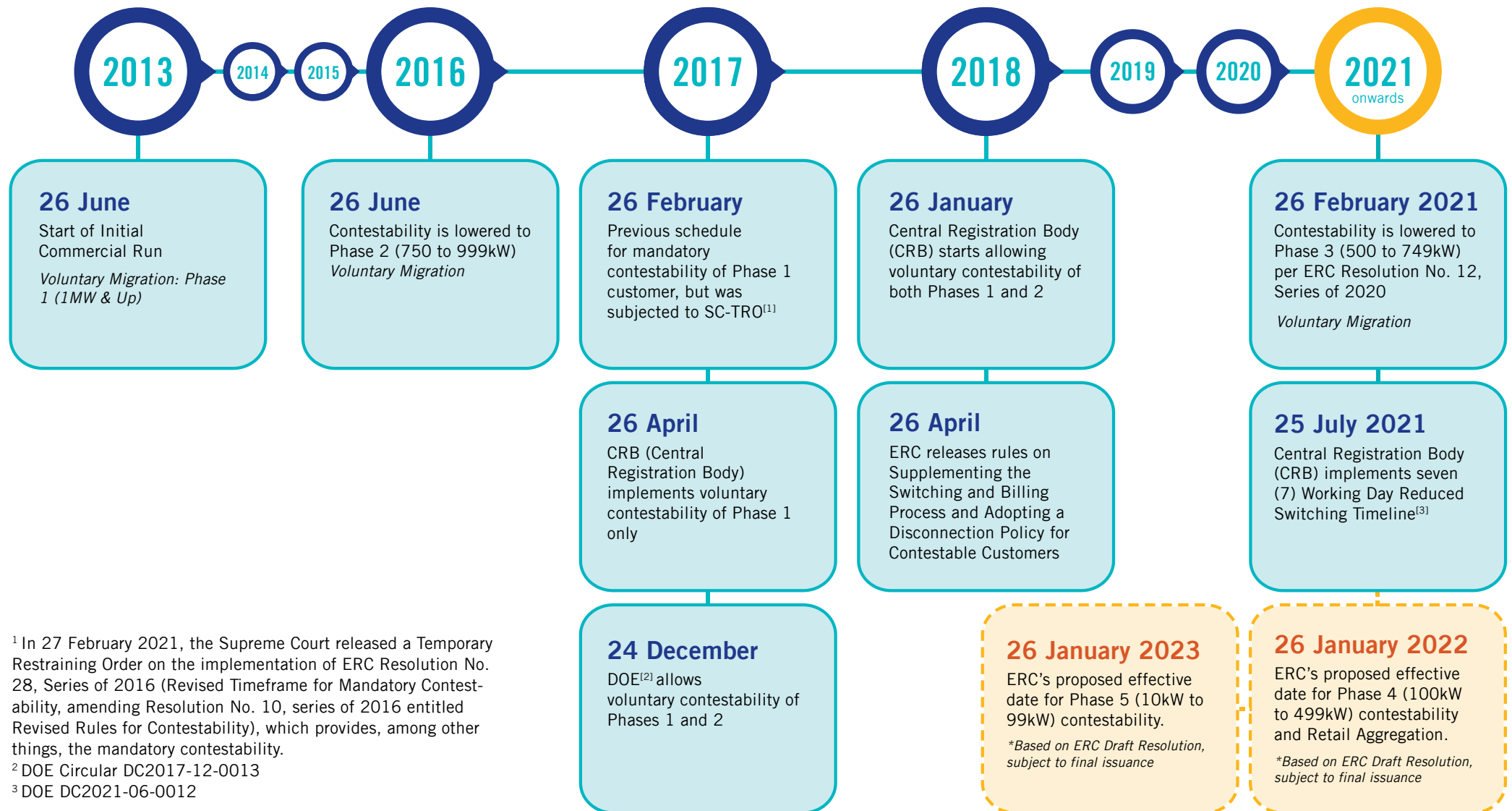
Free and fair competition. Promotes more market transactions and electricity trading.

Industry Efficiency

Encourages reforms in the industry for greater quality, reliability, security, and affordability of the electric supply.



RCOA TIMELINE



INDUSTRY PLAYERS

REGULATORS



DEPARTMENT OF ENERGY

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



ENERGY REGULATORY COMMISSION

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



INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE PHILIPPINES (IEMOP)

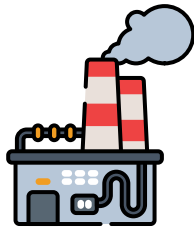
- Acts as the Central Registration Body (CRB)
- Operates the Wholesale and Retail Markets



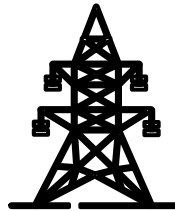
PHILIPPINE ELECTRICITY MARKET CORPORATION (PEMC)

- Governs and oversees the operations of the IEMOP of the wholesale and retail market

POWER INDUSTRY



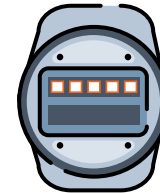
GENERATION COMPANIES



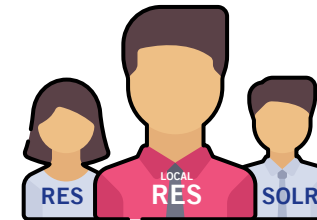
TRANSMISSION PROVIDER



DISTRIBUTION UTILITIES



RETAIL METERING SERVICES PROVIDER



SUPPLIERS

END-USERS

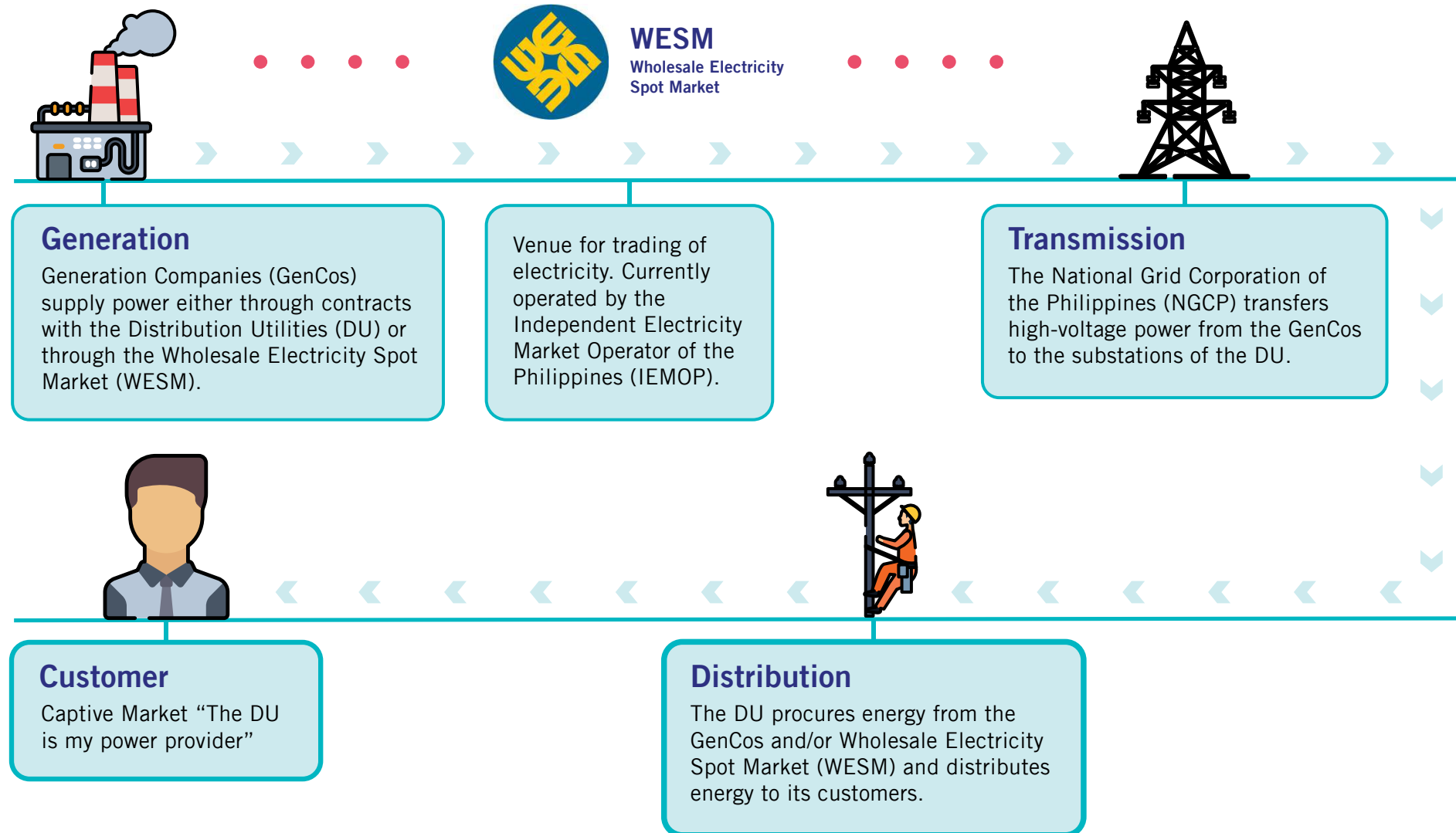


CONTESTABLE CUSTOMERS

• The most important player in Retail Competition and Open Access

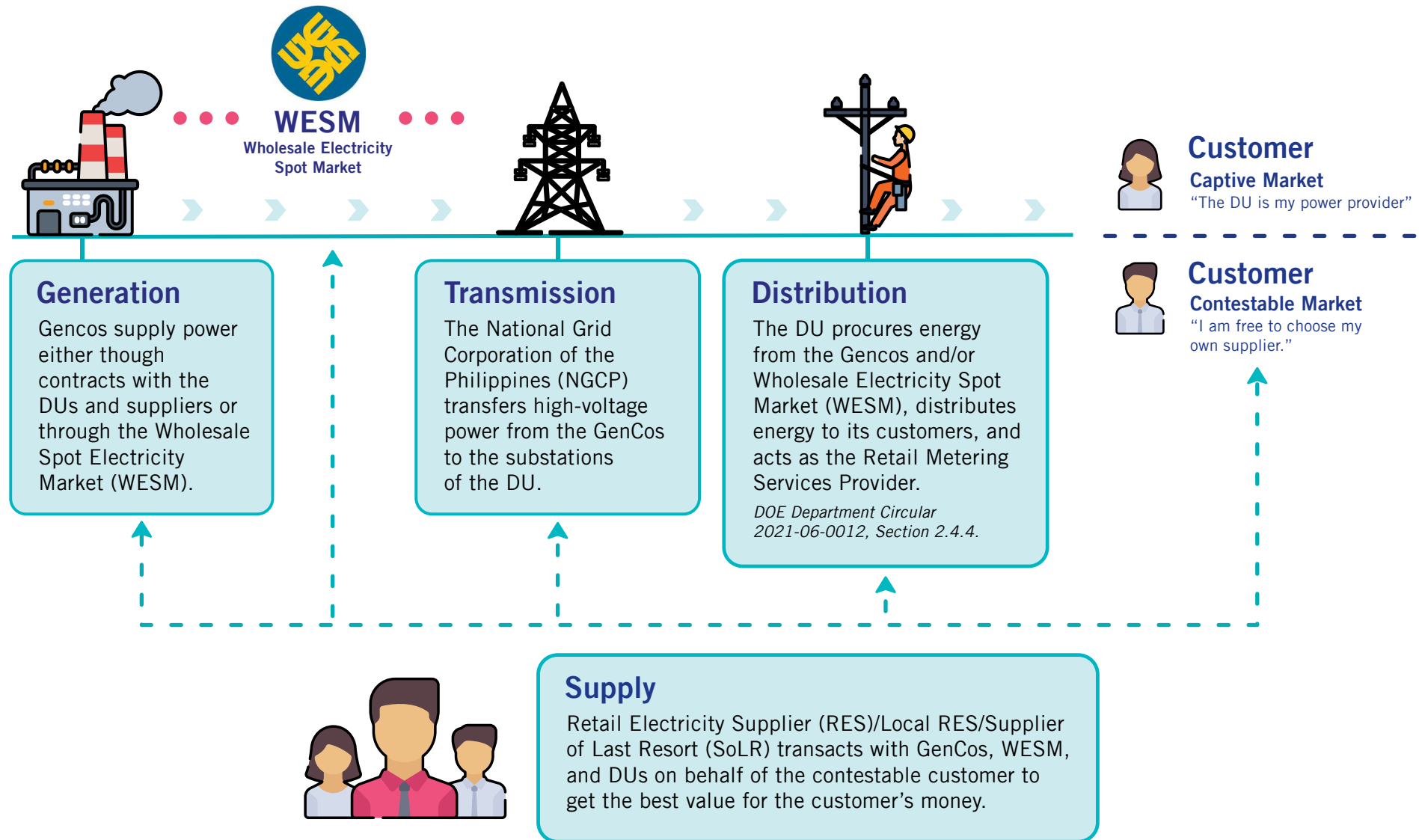
THE ELECTRICITY SUPPLY CHAIN

BEFORE RCOA



THE ELECTRICITY SUPPLY CHAIN

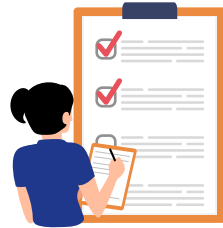
AFTER RCOA



Shifting to Retail Competition

STEP 1: DETERMINING QUALIFICATION

Become Qualified



Determining Qualification

- Step 1



Knowing Your Needs

- Step 2



Requesting for Your Load Profile

- Step 3



Choosing Your Supplier

- Step 4



Preparing for The Switch

- Step 5



Submitting the Requirements

- Step 6

STEP 1: DETERMINING QUALIFICATION



How does a customer become qualified?

There are thresholds and criteria set by the Regulators that you must meet.

In the past, qualified Contestable Customers (Phase 1 & 2) were issued a Certificate of Contestability (CoC) by the ERC.

CoCs were issued either directly to the Contestable Customers or delivered through its Distribution Utility.

Starting February 2021, Billing Statement shall be used as Proof of Contestability and will be delivered directly to Contestable Customers under Phases 1, 2 & 3.

Switching to a supplier is currently voluntary.

Phase 1

- Existing Customers: Past 12-month average historical monthly peak demand of ≥ 1 MW
- Newly-Connected Customers: Forecasted monthly peak demand of 3 MW
- Newly-connected Customers: Forecasted average monthly peak demand between 1 MW and 3 MW is required to have a monthly peak demand of ≥ 1 MW for 3 consecutive months. An End-user that has been in operation for less than twelve (12) months upon the Open Access Date shall be considered a newly connected End-user.

Phase 2

Existing Customers: Past 12-month average historical monthly peak demand of ≥ 750 kW

Phase 3

Existing Customers: Past 12-month average historical monthly peak demand of ≥ 500 kW



How does a customer know that he/she is already qualified?

- Prior to February 2021, qualified Contestable Customers (Phase 1 & 2) were issued a Certificate of Contestability (CoC) by the ERC. A CoC serves as proof of a customer's eligibility to choose his/her own retail electricity supplier.
- Starting February 2021, In lieu of Certificate of Contestability, the billing statement shall be used as Proof of Contestability. Upon receiving said notification, the contestable customer may now join the contestable market.

IMPORTANT NOTICE

You are a qualified Contestable Customer and can now choose your preferred Retail Electricity Supplier (RES). For more details, please visit the Energy Regulatory Commission RCOA website at www.buyyourelectricity.com.ph. Kindly retain a copy of this bill as proof of contestability, which shall be used as basis for your retail market transactions.

STEP 1: DETERMINING QUALIFICATION



Can a Contestable Customer switch back to the Captive Market?

Yes, but only upon meeting the demand threshold requirement and approval by the ERC. A Contestable Customer who has migrated to the contestable market shall no longer be allowed to revert to the captive market. However, in instances where the average peak demand for a six-month period has decreased to less than 25% of the threshold where it qualifies, and the same is not due to seasonal demand, a Contestable Customer may send a written request to the ERC, with a confirmation from the RES or SoLR, that the demand level decreased by such amount.

STEP 2: KNOWING YOUR ENERGY REQUIREMENT

To get the best supplier suited for you and your business, you must first know your needs. This will help you make an informed choice and get the best value for your money. Consider the following:



1. Learn about your power usage information



2. Know your consumption forecast



3. Know your Load Profile. You may request this from your DU, as needed.

Know Your Needs

Review power usage

Request for you Load Profile

One-time free 12-month data

STEP 3: REQUESTING FOR YOUR LOAD PROFILE

The tables to the right present the applicable fees on requests for load profile data and load profile data with analysis.

Know the type of LP data request

• LP data

Numerical values of the interval data of active demand (kW) and energy consumption (kWh)

- Initial request is free. (Data for 12 months prior to your request date.)
- Subsequent requests will have corresponding fees, as approved by the ERC.

• LP data with analysis

LP data with analysis - numerical values of the interval data of active demand (kW) and energy consumption (kWh) with graphical representations and analyses

- Initial and subsequent requests will have corresponding fees.

Contestable customers are allowed to request and receive load profile data through an authorized officer or designated representative.

Contestable customers, through an authorized officer or designated representative, are allowed to request and receive load profile data.



The Load Profile (LP) contains the information of your consumption behaviors and patterns based on specified intervals in a given time period. The LP data is the interval data of active demand (kilowatt – kW) and energy (kilowatt-hour – kWh) consumption.

Schedule of Applicable Fees for Load Profile Data Requests

Subsequent requests for load profile data shall be subject to a fee, as approved by the ERC. Requests for load profile data beyond 12 months shall be subject to a fee amounting to P5,000, exclusive of 12% VAT. Table 1 presents the schedule of applicable fees for load profile data requests.

Schedule of Fees for LP Data with No analysis	
LP Data Request Fee (Base Amount)	LP Data Request Fee (Inclusive of 12%VAT)
P 5,000/month of requested LP Data	P 5,600/month of requested LP Data

Note: This price matrix is subject to changes in rates.

On the other hand, request for load profile data with analysis shall be subject to a different pricing scheme depending on the period covered. Table 2 presents the schedule of applicable fees for requests for load profile data with analysis.

Schedule of Fees for Load Profile Data with Analysis Requests		
Requested Period	LP Data with Analysis Request Fee (Base Amount)	LP Data with Analysis Request Fee (Inclusive of 12%VAT)
1 month	P 15,000	P 16,800
3 months	P 42,000 (P 14,000/month)	P 47,040
6 months	P 72,000 (P 12,000/month)	P 80,640
12 months	P 120,000 (P 10,000/month)	P 134,400

Note: This price matrix is subject to changes in rates.

STEP 3: REQUESTING FOR YOUR LOAD PROFILE

All applicable charges and fees on requests for load profile data are required to be paid in full.

The information reflected in your load profile data should be considered confidential and proprietary. It can be used for your demand or load-side management.

Make the request

Requirements

1. Submit the following completed documents to Meralco through your assigned Relationship Manager.



- a. Letter from the CEO, COO, General Manager, or President requesting for LP data. If the persons mentioned are unable to write the required letter, please prepare the following:

- Authorization Letter or Secretary's Certificate
- Latest General Information Sheet (GIS)
- Photocopy of valid government-issued ID
- Signature of the receiving personnel



- b. Accomplished Load Profile Data Request Form signed by the CEO, COO, General Manager or President.

In case data shall be received by those other than the authorized recipients, the receiving personnel must present:

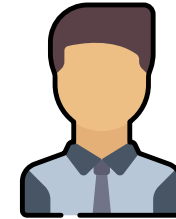
- Notarized Special Power of Attorney (SPA)
- Photocopy of valid government-issued ID
- Signature of the receiving personnel

The requested LP data will be given to customers via password protected email.

The Load Profile (LP) contains the information of your consumption behaviors and patterns based on specified intervals in a given time period. The LP data is the interval data of active demand (kilowatt – kW) and energy (kilowatt-hour – kWh) consumption.

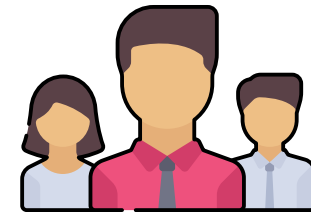


STEP 4: CHOOSING YOUR SUPPLIER



Contestable Customer

You have different ways of procuring energy through your RES.



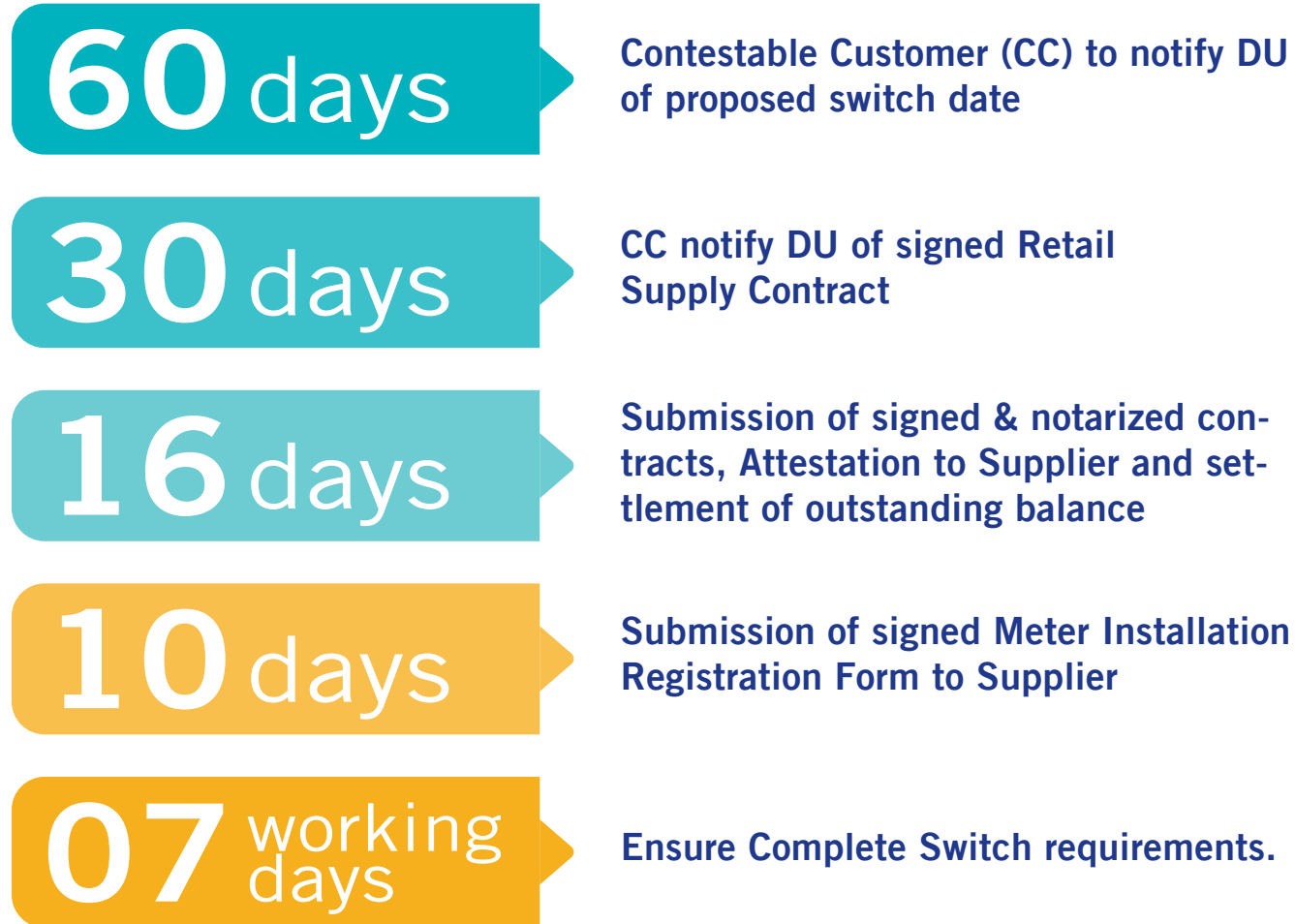
Supplier

Make sure to contract with an ERC-licensed RES in order to get the:

- Best pricing option
- Best design for your energy needs

STEP 5: PREPARING FOR THE SWITCH

Timeline to remember PRIOR to switch date:



STEP 6: SUBMITTING THE REQUIREMENTS



Initial Switch

If you are transferring from Captive Market to Contestable Market

From the customer to the DU:

- ▼ Advise the DU on the planned switch at least 60 days prior to effectivity of its Retail Supply Contract with a Retail Electricity Supplier
- Settlement of all arrears with the DU prior to the switch
- RCOA-compliant installed meters
- Signed and notarized Connection Agreement

From the customer to DU for Dual Billing cases:

- ▼ Signed and notarized Distribution Wheeling Services Agreement (DWSA)
- Required Distribution Wheeling Services (DWS) deposit is settled prior to switch

From the supplier to the DU for single billing cases:

- ▼ Signed and notarized DWSA
- Required DWS deposit is settled prior to switch

From the DU to the RES:

- ▼ The DU-MSP shall submit Metering Installation Registration Form (MIRF) and other attachments to the CRB via Central Registration and Settlement System (CRSS) upon request by the Supplier
- The DU-NSP/RMSP shall provide applicable Attestations, duly signed and notarized.

From the customer to the CRB via the RES or SoLR:

- ▼ For the Checklist requirements, please refer to IEMOP website at www.iemop.ph/market-reports/retail-registration-forms-and-templates/



Regular Switch

If you are transferring from one supplier to another

From the supplier to the DU:

- ▼ Required DWS deposit is settled prior to switch

From the DU to the Supplier:

- ▼ Submission of applicable Attestation, signed and notarized

From the customer to DU for Dual Billing cases

- ▼ Signed and notarized Distribution Wheeling Services Agreement (DWSA)
- Required DWS deposit is settled prior to switch



Change in Billing Scheme

If you are changing from one billing scheme to another (i.e. Single to Dual Billing, or vice versa)

From the customer to the DU:

- ▼ Approach your Relationship Manager regarding your chosen billing option.

STEP 6: SUBMITTING THE REQUIREMENTS

Who is my Supplier of Last Resort (SoLR)?

As a Distribution Utility, MERALCO is designated by the ERC as the SoLR in its franchise area. SoLR service is not a service provided to the captive market and is not a Retail Electricity Supplier (RES) service provided by the DU. It is an ERC-regulated service meant as a back-up supply of the Contestable Customers during a Last Resort Supply Event, or when a Contestable Customer is unable to contract a willing supplier by the deadline set by ERC for the mandatory switch to the Contestable Market.

When would I need a Supplier of Last Resort (SoLR)?

1

When an end-user is not able to find a supplier by the deadline set by the ERC for the mandatory switch to the Contestable Market.

2

Last Resort Supply Event

- ☐ The RES/Local RES has ceased to operate
- ☐ The RES License has been revoked
- ☐ The Distribution Wheeling Services agreement between the RES and DU has been terminated
- ☐ The RES/Local RES is no longer permitted to trade energy in the WESM
- ☐ The RES/Local RES has given notice to the ERC that it no longer will provide supply services
- ☐ Any other similar event which the ERC may deem as Last Resort Supply Event

What are the implications?

As a SoLR customer of MERALCO, generation rates shall be based on the prices in the Wholesale Electricity Spot Market (WESM) or bilateral contract price (whichever is higher) and a 10% premium to cover for the administrative fees related to the service.

$$\text{Generation Charge} = \text{kWh x WESM or bilateral contract price, whichever is higher} + 10\% \text{ premium}$$

MERALCO-SoLR Requirements:



- Signed SoLR contract



- 2-month bill deposit with the DU



- Other requirements by the CRB, as may be deemed applicable

**The customer may switch out of SoLR as soon as it is able to find a supplier, provided all obligations with the SoLR are settled.*



After Switching to Retail Competition and Open Access

KEEPING YOU CONNECTED

Billing

ERC Resolution No. 9 Series of 2018, Article III:



- Section 1. A Contestable Customer may choose from Single or Dual/-Multiple Billing schemes as long as that customer maintains the chosen billing option for at least one year.
- Section 3.4 A Contestable Customer shall send a request for a change in billing scheme to the incumbent RES at least 30 days prior to the start of intended billing scheme.

Payments & Collection



- Settle your electric bill in full
 - Supplier settles DWS bill with the DU
 - A Contestable Customer settles DWS bill with the DU if under Dual Billing

Disconnection



- The DU executes disconnection and reconnection of an electric service
- Supplier may request the DU, through the CRB, to execute disconnection (and/or reconnection) of its customer's electric service, to manage unpaid bills
- The DU may disconnect and/or reconnect customers of suppliers, subject to CRB's notice in case a supplier fails to pay the DWS bill to the DU, or in the case of Dual Billing customers where the customer fails to pay their DWS Bills

Power Interruption



- The DU will advise both customers and the RES of any pre-arranged power interruptions.
- You may get in touch with both the DU and your RES representatives in case of power interruption and when assistance is needed on lineside facilities.

Requests for Service Modifications



- You may course your request for change in load and other service modifications to the DU. It is advisable that you notify your Supplier of any service modifications.
- Any existing bill deposits resulting from the modification will be collected from your RES. Conversely, bill deposits shall be collected from customers who are under the Dual Billing Program.

Customer Assistance



- You may get in touch with the DU and the supplier for your electric concerns or issues.
- Contact the supplier for concerns regarding generation rates and commercial arrangements.
- Contact the DU for the physical connection to the grid.
- The supplier and the DU work together to resolve matters that may be under their concern.
- Contact your Relationship Manager for more details.

GLOSSARY

- **Captive Market**

Electricity end-users who can only procure their energy supplies from the franchise DU

- **Certificate of Contestability**

Certification provided by the ERC to an end-user who has met the eligibility criteria to qualify for a particular phase of RCOA. The CoC is a requirement for initial switch of the customer.

- **Central Registration Body (CRB)**

An independent entity assigned to undertake the required processes, information technology, and other systems capable of handling customer switching and information exchange among retail electricity market participants.

- **Central Registration and Settlement System (CRSS)**

A Business-to-Business system of CRB for registration.

- **Contestable Customer**

Electricity end-users who meet the eligibility requirements for contestability and threshold level set by the ERC to qualify in the Contestable Market.

- **Contestable Market**

Electricity end-users who have a choice on their supplier electricity, as may be determined by the ERC in accordance with the Act.

- **Distribution Utility**

Any electric cooperative, private corporation, government-owned utility, or existing local government unit which has an exclusive franchise to operate a distribution system in accordance with its franchise and the Act, including DUs operating in the Economic Zones.

- **Dual Billing**

A billing system whereby a Contestable Customer receives separate bills from its RES, WESM (if applicable) and from its DU.

- **EPIRA**

Refers to the Electric Power Industry Reform Act of 2001 enacted through Republic Act No. 9136.

- **Initial Switch**

The commercial transfer of a Contestable Customer from the DU as its supplier under a regulated service to a RES or SoLR.

- **Last Resort Supply Event**

An event where a contestable customer ceases to receive service from its supplier or an event where a contestable customer fails to choose a RES, as stated in the Rules for the Supplier of the Last Resort.

- **Open Access**

The system of allowing any qualified person the use of transmission and/or distribution system and associated facilities subject to the payment of transmission and/or distribution retail wheeling rates duly approved by the ERC, as stated in the Rules for the Supplier of the Last Resort.

- **Retail Metering Services Provider**

A person or entity authorized to provide metering services to contestable customers and registered with Central Registration Body in that capacity in accordance with Chapter 2 of Retail Rules Manual.

- **Regular Switch**

The commercial transfer of a Contestable Customer from one RES or SoLR to another RES or SoLR.

- **Retail Competition**

The provision of electricity to end-users in the contestable market by the suppliers through Open Access

- **Retail Electricity Supplier**

Any person or entity authorized by the ERC to sell, broker, market or aggregate electricity to end-users in the Contestable Market.

- **Retail Supply Contract**

The contract entered into by and between the Contestable Customer and the Retail Electricity Supplier for the supply of electricity that may include provisions for other value-added services.

- **Single Billing**

A billing system whereby a Contestable Customer receives only one consolidated bill issued by a RES which includes the DU's wheeling charges.

- **Supplier of Last Resort**

A regulated entity designated by the ERC to serve end-users in the contestable market following a Last Resort Supply Event.

- **Switch or Switching**

The commercial transfer of a Contestable Customer from the DU to a RES or SoLR and/or from one supplier to another.

Source: ERC Resolution No. 9 Series of 2018

CONTACT US

To learn more about RCOA and switch-related procedures, you may get in touch with the following offices within MERALCO:

MERALCO Competitive Market Group

(also acts as MERALCO-SoLR)

✉ group.competitive.market@meralco.com.ph

Manila Electric Company (MERALCO)

☎ 16210

🌐 www.meralco.com.ph

✉ customercare@meralco.com.ph

For large corporations and national government accounts, please contact your Relationship Manager, or email corporatepartners@meralco.com.ph.

For SMEs, get in touch with your Biz Partner Manager or email biz@meralco.com.ph.

For any other concerns, you may reach the following governing bodies:

Independent Electricity Market Operator of the Philippines (IEMOP)

☎ Trunk Line (632) 5318-WESM (9376)

☎ Fax (632) 8 636-0802/634-0985

For market news and advisories

✉ info@iemop.ph

For registration assistance and inquiries

✉ registration@iemop.ph

☎ (632) 5 318-9376, dial 9 + loc. 229, 239, 302, or 366

Helpdesk: WESM Helpdesk Ticketing System

☎ (632) 5 318-9376/914-0520 to 24

Energy Regulatory Commission (ERC)

☎ (+632) 8914-5000

☎ (+632) 8689-5393

✉ contestable@erc.gov.ph

Department of Energy (DOE)

Energy Center, 34th St., Rizal Drive, Bonifacio Global City, Taguig City, Philippines 1632

☎ Trunkline Number: (632) 8479-2900

🌐 www.doe.com.ph

REFERENCES

- DC2021-06-0012 - Provisions to promote participation in the Retail Competition
- Electric Power Industry Reform Act of 2001 (EPIRA)
- ERC Resolution No. 2 Series of 2010 (Amended DSOAR as of February 2010)
- ERC Resolution No. 2 Series of 2008, A Resolution Adopting the Rules for Contestability
- ERC Resolution No. 2 Series of 2006, A Resolution Adopting the Rules on the Supplier of Last Resort (SOLR)
- ERC Resolution No. 2 Series of 2012, A Resolution Adopting the Transitory Rules for the Implementation of Open Access and Retail Competition
- ERC Resolution No. 11, Series of 2016, A Resolution Imposing Restrictions on the Operations of Distribution Utilities and Retail Electricity Suppliers in the Competitive Retail Market
- ERC Resolution No. 10, Series of 2016, A Resolution Adopting the Revised Rules for Contestability
- ERC Resolution No. 28, Series of 2016, Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016 Entitled Revised Rules for Contestability
- ERC Resolution No. 9, Series of 2018, Resolution Adopting the ERC Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for Contestable Customers.
- ERC Resolution No. 12 series of 2020, A Resolution prescribing the timeline for the Implementation of Retail Competition and Open Access (RCOA)
- Department of Energy Circular No. DC 2015-06-0010 Providing Policies to Facilitate the Full Implementation of Retail Competition and Open Access (RCOA) in the Philippine Electricity Power Industry
- Department of Energy Circular No. DC 2013-07-001 Promulgating the Retail Market Manuals for the Implementation of Retail Competition and Open Access and Providing for Transitory Arrangements
- Department of Energy Circular No. DC 2013-07-0013 Providing Supplemental Policies to Empower the Contestable Customers under the Regime of Retail Competition and Open Access and Ensure Greater Competition in the Generation and Supply Sectors of the Philippine Electric Power Industry
- Department of Energy Circular No. DC 2016-04-0004 Providing Timelines for Compliance with the Full Implementation of Retail Competition and Open Access in the Philippine Electric Power Industry
- www.erc.gov.ph
- www.buyyourelectricity.com.ph
- www.doe.com.ph
- www.wesm.ph