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REM Manual

Allocation of RE Certificates for FiT Eligible RE Generation Issue 1.0

Abstract	This Manual presents the procedures and methodology for the allocation of RE Certificates corresponding to FiT-Eligible Generation
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ERC Resolution No. 15, Series of 2012	Resolution Adopting the Corresponding Amendments to the FiT Rules
ERC Resolution No. 24, Series of 2013	Resolution Adopting the Guidelines on the Collection of FiT Allowance (FiT-All) and the Disbursement of the FiT-All Fund

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SECTION 1 INTRODUCTION

1.1 PURPOSE

This Manual implements relevant provisions of Chapter 3 of the *REM Rules*. In particular, it is created in compliance with *REM Rules* Clause 3.2.2.4, which requires the *RE Registrar* to publish a *REM Manual* that defines:

- a) The procedures that the *RE Registrar* must follow in allocating the *RE Certificates (RECs)* corresponding to the generation of *FiT-Eligible facilities*;
- b) The data and information that *Data Providers* shall provide to the *RE Registrar* to enable it to allocate *RE Certificates (RECs)* corresponding to the *FiT-Eligible facilities*' generation; and
- c) The timelines that the *Data Providers* and the *RE Registrar* must follow on the submission of the data and information, allocation of the *FiT-eligible RE generation* for *REC* issuance and the succeeding notification to the *On-grid Mandated Participants*.

1.2 SCOPE OF APPLICATION

This Manual covers the criteria, guidelines and procedures related to:

- (a) The allocation to the *On-grid Mandated Participants* of *RECs* from *FiT-Eligible Facilities* as contemplated in Section 3.2.2 of the *REM Rules*. The allocation methodology will be applied to the generation of *FiT-Eligible Facilities* identified in Section 11 of the *RPS Rules* wherein, the *RECs* in respect of each *Directly Connected Customer* shall be allocated to its counterparty/ies registered in the *REM* as *On-Grid Mandated Participants*;
- (b) The adjustment should there be errors or discrepancies with respect to the *Monthly FiT Generation Share* of the *On-grid Mandated Participants*; and
- (c) The collection and transmittal of data corresponding to *Metered Quantities and Bilateral Contract Quantities* generated by the *WESM Operator*, and the *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* to be used as basis for the allocation.

1.3 DEFINITIONS

Data Providers refer to entities defined in accordance with *REM Rules* Clause 2.2.3 that are not *REM Trading Participants* and are required to provide the *RE Registrar* with information under the *REM Rules*, which include the *Market Operator*, and the *FiT-All Fund Administrator*.

Direct WESM Member. A person or entity who is registered with the *Market Operator* under Clause 2.3 of the *WESM Rules*.

Feed-in-Tariff (FiT) is a uniform fixed tariff paid to eligible *RE Generation Facilities* in accordance with the *RE Act*.

FiT-All Collection Agents refer to the entities, pursuant to Section 2.2.1.1 of the Guidelines on the Collection of FiT-All¹, mandated to collect the *FiT-All Tariff* and remit the same to the *FiT-All Fund Administrator*.

FiT-All Fund Administrator refers to the National Transmission Corporation (TRANSCO) as administrator of the *FiT-All Fund*, as designated under ERC Resolution No. 15, Series of 2012, amending the FIT Rules.

FiT-All Tariff refers to the charge established pursuant to Section 2.5 of the Feed-In-Tariff (FiT) Rules and defined further in the ERC issued Guidelines for the Collection and Disbursement of the Feed-in-Tariff Allowance (“FiT-All”).

FiT Carry-Over Quantity refers to the incremental or fractional MWh from FiT allocation, which will be carried over into the next *WESM Billing Period’s RECs* issuance. It should be noted that the *FiT Carry-Over Quantity* is different from the *Carry-Over Quantity* defined in the *REM Rules* and the *FiT Rules*.

FiT-Eligible Facilities refer to RE Generation Facilities eligible to receive *Feed-in-Tariff*.

Mandated Participant refers to an electricity purchaser or load serving entity that is required to comply with an *Annual RPS Obligation* set by the *DOE*, and that is registered with the *RE Registrar* in that capacity under Chapter 2 of the *REM Rules*.

Monthly FiT Generation Share refers to the integer amount of *FiT-eligible RE Generation* that the *RE Registrar* shall allocate to each *On-Grid Mandated Participant* in respect of a *WESM Billing Period*.

For clarity, certain terms above, already defined in the *REM Rules*, are reiterated in this Manual. For other italicized terms used in this Manual, unless otherwise defined or the context implies otherwise, such terms will bear the same meaning as defined in the *REM Rules*.

1.4 RESPONSIBILITIES

1.4.1 Renewable Energy Registrar (“RE Registrar”)

The *RE Registrar* shall be responsible for:

- a) Determining each Mandated Participant’s *Monthly FiT Generation Share* and the issuance of the *RECs* corresponding to the *aggregated* monthly MWh *Metered Quantities* of all the FiT-eligible Facilities;
- b) Notifying *On-Grid Mandated Participant* of their *RECs* corresponding to their *Monthly FiT Generation Share* in respect of a *WESM Billing Period*; and

¹ ERC Resolution No. 24, Series of 2013. “Resolution Adopting the Guidelines on the Collection of FiT Allowance (FiT-All) and the Disbursement of the FiT-All Fund”

- c) Facilitating the correction of the *RECs* corresponding to the *Monthly FiT Generation Share* of the *On-Grid Mandated Participant*, subject to the notification of the latter and the reflection of the correction following the prescribed timeline.

1.4.2 *Data Providers*

- 1.4.2.1 The *Market Operator* shall be responsible for the provision to the *RE Registrar* of the following:

- (a) The monthly MWH *Metered Quantities* for each *FiT-Eligible Facility and On-Grid Mandated Participant* in respect of a *WESM Billing Period*; and
- (b) The monthly MWH *Metered Quantities* of the *Directly Connected Customer* and the corresponding monthly MWH *Bilateral Contract Quantity Declarations* of its counterparty/ies.

The *Market Operator* shall also notify the *RE Registrar* and submit corrected *Metered Quantities* or *Bilateral Contract Quantities* as soon as practicably possible if it becomes aware of any error or discrepancy in the data it submitted.

- 1.4.2.2 The *FiT-All Fund Administrator* shall be responsible for the submission to the *RE Registrar* of the following:

- (a) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by each *FiT-All Collection Agent* that is an *On-Grid Mandated Participant* and is not a *Generation Company*; and
- (b) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by the relevant *FiT-All Collection Agent* in respect of *Directly Connected Customers*.

The *FiT-All Fund Administrator* shall also notify the *RE Registrar* and submit corrected *FiT-All Tariff* data as soon as practicably possible if it becomes aware of any error or discrepancy in the data it submitted.

- 1.4.2.3 *Metering Service Providers/Designated Entity* in the *Mindanao Grid* shall be responsible for the provision to the *RE Registrar* of the following:

- (a) The monthly MWH *Metered Quantities* for each *FiT-Eligible Facility, On-Grid Mandated Participant and Directly Connected Customer* in respect of a *Billing Month*.

Metering Service Providers/Designated Entity shall also notify the *RE Registrar* and submit corrected *Metered Quantities* as soon as practicably possible if it becomes aware of any error or discrepancy in the data it submitted.

- 1.4.2.4 The *System Operator/Designated Entity*² in the *Mindanao Grid* shall be responsible for the provision to the *RE Registrar of the following*:

- (a) The monthly MWH *Bilateral Contract Quantity Declarations* in respect of *Directly Connected Customers'* counterparty/ies.

The *System Operator* shall also notify the *Registrar* and submit corrected *Bilateral Contract Quantity Declarations* as soon as practicably possible if it becomes aware of any error or discrepancy in the data it submitted.

1.5 AMENDMENTS

Any amendments to this Manual shall be promulgated by the *REM Governance Committee (RGC)*.

1.6 EFFECTIVITY AND PUBLICATION

This Manual shall take effect upon approval by the *Department of Energy (DOE)*. Thereafter, it shall be published in the *RE Market Information Website*.

² In accordance with the pending commercial launch of the WESM in Mindanao

SECTION 2 FIT GENERATION ALLOCATION PROCEDURES AND METHODOLOGY

2.1 OVERVIEW

This Section describes the allocation methodology and the timelines for data provision reporting and allocation of the *FiT-eligible RE generation* to the *On-grid Mandated Participants* in respect of a WESM Billing Period.

2.2 TIMELINES

2.2.1 Data Provision

2.2.1.1 *Metered Quantities*

The *Market Operator* shall provide the monthly MWH *Metered Quantities* to the *RE Registrar* no later than the third (3rd) *Working Day* after the *Market Operator* issues the *Final Settlement Statement* for the following WESM Participants:

- (a) *REM Mandated Participants*; and
- (b) *Directly Connected Customers*.

2.2.1.2 *Bilateral Contract Quantities*

The *Market Operator* shall submit the monthly MWH *Bilateral Contract Quantity Declarations* in respect of each *Directly Connected Customer's* counterparty/ies no later than the third (3rd) *Working Day* after the *Market Operator* issues the *Final Settlement Statement* in respect of a WESM Billing Period.

2.2.1.3 *FiT-All Tariff Remittance*

The *FiT-All Fund Administrator* shall submit to the *RE Registrar* the following data in respect of a *WESM Billing Period* no later than Fifty (50) *Calendar Days* after the end of the *WESM Billing Period*:

- (a) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by each *FiT-All Collection Agent* that is an *On-Grid Mandated Participant* and is not a *Generation Company*; and
- (b) The *FiT-All Tariff* remitted to the *FiT-All Fund Administrator* by the relevant *FiT-All Collection Agent* in respect of *Directly Connected Customers*.

2.2.2 Reporting the *RECs* corresponding to the Monthly FiT Generation Share to Mandated Participants

The *RE Registrar* shall notify each *On-Grid Mandated Participant* of its *RECs* corresponding to the *Monthly FiT Generation Share* in respect of a *WESM Billing Period* no later than Sixty (60) *Calendar Days* after the end of the *WESM Billing Period*.

2.2.3 Adjustment for Errors

If a *Data Provider* becomes aware of any error or discrepancy in data submitted, it shall:

- (a) Immediately notify the *RE Registrar*, and
- (b) Submit the corrected data as soon as practicably possible.

If a *Data Provider* submits the corrected data within two (2) *Working Days* from the *Monthly FiT Generation Share* notification deadline, the *RE Registrar* shall ensure that the correction is reflected in the *Monthly FiT Generation Share* calculation for the current *WESM Billing Period*. Otherwise, the correction shall be reflected in the *Monthly FiT Generation Share* calculation for the following *WESM Billing Period*.

An illustration of the above-described timelines is provided in **Figure 1**.

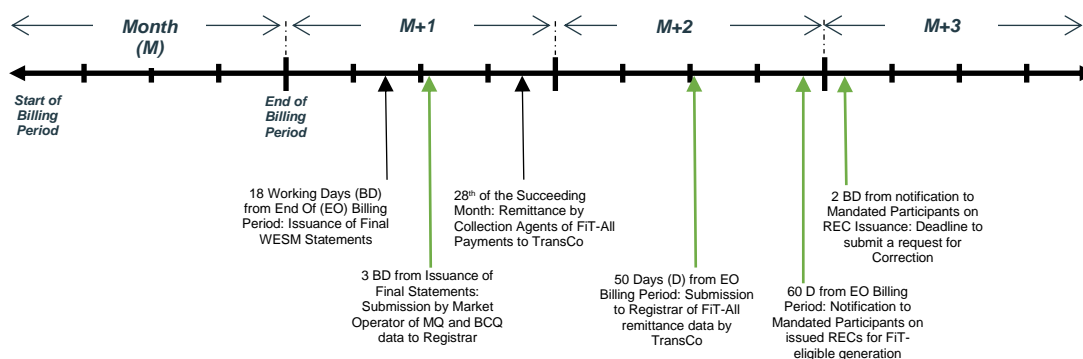


Figure 1. Timeline for the Submission of Related Data and Issuance of RECs corresponding to FiT-eligible RE Generation

2.3 ALLOCATION METHODOLOGY

2.3.1 The *RE Registrar* shall determine each *Mandated Participant's Monthly FiT Generation Share* and shall issue the *RECs* corresponding to the *aggregated* monthly *MWH Metered Quantities* of all the *FiT-eligible Facilities* in accordance with the following:

- (a) The allocation of the monthly *FiT Generation* for each *Mandated Participant* shall be in the proportion of its monthly metered energy quantities to the metered energy quantities of all the *Mandated Participants*, the *Bilateral Contract Quantity of Directly Connected Customers* and percentage level of *FiT All* remittance for the corresponding month;
- (b) The *Monthly FiT Generation Share* shall be the smallest integer quantity that represents the nearest
- (c) whole *MWH* value based on the allocation described in Section 2.3.1 (a);
- (d) The *Incremental MWH* in relation to Section 2.3.1 (b) shall be the *FiT Carry Over Quantity* which shall be carried over to the following month's *REC* issuance;

2.3.2 The *Incremental MWH* in relation to:

- (a) Partial payment by the *On-grid Mandated Participant* shall be issued with *RECs* based on the following:
 - i. The corresponding *MWH* of the unpaid *FiT-All* by the *On-grid Mandated Participant* due to its failure to remit the collected *FiT-All* payment from its end users shall be carried over to the month when the *FiT-All* obligation is fully paid for *REC* issuance provided that the said month is not later than three (3) years from the corresponding *WESM Billing Period*; and
 - ii. The corresponding *MWH* of the unpaid *FiT-All* by the *Mandated Participant* due to non-payment of the *FiT-All* by its end users shall be apportioned again to the *Mandated Participants* based on their monthly metered energy quantity³ for the issuance of *RECs*.
- (b) The power supply of *Directly Connected Customers* sourced from the *WESM* shall be issued with corresponding *RECs* and the issued *RECs* shall be apportioned to the *Mandated Participants* based on their monthly *MWH Metered Quantities*, together with the *RECs* corresponding to the case in Section 2.3.2 (a) item *ii*.

³ Generators will be allocated in respect of Power Supply Agreements with Directly Connected Customers

2.3.3 The *REC* allocation corresponding to RE FiT-eligible generation for each *Mandated Participant i* shall be determined following **Equation 1** below in respect of month *m*.

$$REC_{m,i} = \lfloor MWH_a + FCO_{m-1} + MWH_{inc} \rfloor$$

Equation 1. Mathematical Formula for allocation of RECs from FiT Generation

Where: $REC_{m,i}$ is the *Monthly FiT Generation Share* equivalent to the total number of *RECs* of a *Mandated Participant i* for month *m*

MWH_a is the MWH from FiT allocated to *Mandated Participant i* in respect of its *Metered Quantity* and *FiT-All Tariff* payment in respect of month *m*

FCO_{m-1} is the fractional MWH from FiT allocated to *Mandated Participant i* from the previous month (*m – 1*)

MWH_{inc} is the MWH from FiT allocated to *Mandated Participant i* equivalent to the integer value of the sum of its incremental MWH according to Section 2.3.2 (a) item *ii* and Section 2.3.2 (b)

It can be noted that **Equation 1** will result to only the integer part of the calculation results.⁴

2.3.4 The MWH from FiT-eligible RE generation allocated to *Mandated Participant i* based on the *Metered Quantity* and *FiT-All Tariff* payment of *Mandated Participant i* is provided in **Equation 2**.

$$MWH_a = \left[1 - \frac{(MWH_{UnpaidFiT,EU} + MWH_{WESM DCC})}{\sum MQ_{m,cust}} \right] \cdot MWH_m \times \frac{MQ_{m,i}}{\sum MQ_{m,cust}} \times PE_{m,i}$$

Equation 2. Mathematical Formula for Calculation of MWH from FiT in respect of the Mandated Participant's MQ and FiT-All Payment

Where: MWH_a is the MWH from FiT-eligible RE allocated to *Mandated Participant i* in respect of its *Metered Quantity* and *FiT-All Tariff* payment

MWH_m is the total MWH generation output from all *FiT-Eligible facilities* for month *m*

$MQ_{m,i}$ is the MWH *Metered Quantity* of *Mandated Participant i* for month *m*

$MQ_{m,cust}$ is the MWH *Metered Quantities* of all wholesale customers for month *m*

⁴ The floor function $\lfloor x \rfloor$, also referred to as the greatest integer function or integer value (Spanier and Oldham 1987), gives the largest integer less than or equal to *x*.

$PE_{m,i}$ is the *FiT-All* payment efficiency of *Mandated Participant i* for month *m*

2.3.5 The *Generation Companies* who are counterparties of *Directly Connected Customers* shall be issued with corresponding FiT generation *RECs* based on their aggregated *Bilateral Contract Quantities* with the latter.

For the case wherein the aggregated *Bilateral Contract Quantities* exceeds the *Metered Quantity of Directly Connected Customer*, the allocation of the FiT-eligible RE generation should correspond to the *Metered Quantity* apportioned based on the ratio of the individual *Bilateral Contract Quantities* and the aggregated *Bilateral Contract Quantities*. Otherwise, it should correspond to the *Bilateral Contract Quantities*.

2.3.6 Incremental or fractional MWH from FiT resulting from the rounding down of *REC* allocation shall form part of the *Mandated Participants* REC allocation for the succeeding month ($m + 1$) as *FiT Carry Over Quantities* (FCO_{m+1}).

2.3.7 Incremental allocation of MWH from FiT-eligible RE facilities resulting from the non-remittance by the *Mandated Participants* shall form part of the *Mandated Participants'* allocation (as $MWH_{UnpaidFiT,MP}$) following **Equation 3** upon its full payment of the *FiT-All* obligation, subject to the timeline provided in Section 2.3.2 (a) i.

2.3.8 Incremental MWH from FiT-eligible RE facilities resulting from any of the following:

- (a) Unpaid *FiT-All* by the *On-grid Mandated Participant* due to non-payment of the *FiT-All* by its end users described in Section 2.3.2 (a) item ii, and
- (b) Sourcing of *Directly Connected Customers* of its supply from the *WESM* described in Section 2.3.2 (b).

will form part of the *Mandated Participant's* MWH_{inc} and shall be apportioned to the *Mandated Participants* based on their monthly metered energy quantity applying **Equation 3**.

$$MWH_{inc} = MWH_{UnpaidFiT,MP} + \frac{(MWH_{UnpaidFiT,EU} + MWH_{WESM DCC})}{\sum MQ_{m,cust}} \cdot MWH_m \cdot \frac{MQ_{m,i}}{\sum MQ_{m,cust}}$$

Equation 3. Mathematical Formula for Allocating MWH from FiT in respect of the Unpaid FiT and WESM Purchases of Directly-connected Customers

Where: MWH_{inc}	is the MWH from FiT-eligible RE facilities allocated to <i>Mandated Participant i</i> equivalent to the integer value of the sum of its incremental MWH according to Section 2.3.2
$MWH_{UnpaidFiT,MP}$	is the MWH corresponding to the <i>FiT-All</i> Obligation of a <i>Mandated Participant i</i> , with delayed payment
$MQ_{m,i}$	is the MWH <i>Metered Quantity</i> of <i>Mandated Participant i</i> for month <i>m</i>
$MQ_{m,cust}$	is the MWH <i>Metered Quantities</i> of all wholesale customers for month <i>m</i>
$MWH_{UnpaidFiT,EU}$	is the total MWH corresponding to the <i>FiT-All</i> Obligation of all <i>Mandated Participant</i> for month <i>m</i> , not paid by the end-users
$MWH_{WESM DCC}$	is the total MWH corresponding to the WESM purchases of all the <i>Directly Connected Customers</i> , for month <i>m</i>

Appendix A of this Manual provides numerical examples showing the allocation of MWH from FiT-eligible RE facilities and corresponding issuance of *FiT RECs*.

2.3.9 Adjustment for Errors

If an *On-Grid Mandated Participant* determines that there is an error in respect of its *Monthly FiT Generation Share and REC* allocation, then it shall notify the *RE Registrar* no later than Fifteen (15) calendar days after the date on which it was notified of its *Monthly FiT Generation Share and REC* allocation.

If the *RE Registrar* determines that there is an error or discrepancy in the *Monthly FiT Generation Share and REC* allocation, then it shall ensure that the *REC* issuance correction is reflected in the *REC* allocation for the next *WESM Billing Period*.

Appendix A Examples of the FiT Generation Allocation Methodology

The appendix provides numerical examples to illustrate how the allocation methodology shall be applied.

Example 1. The example below pertains to a hypothetical month in which there was 1,000 MWH generation from *FiT-Eligible facilities* and the following are the four *Mandated Participants*:

- Two Distribution Utilities (DU1 and DU2);
- One retail supplier (RES1); and
- A Generation Company (GEN1) supplying a *Directly-Connected Customer* (DCC1) through a Power Supply Agreement. DCC1 is a *Direct WESM Member* and is therefore only partially-contracted. Specifically, 500 MWH or fifty percent (50%) of the 1,000 MWH supply requirement of DCC1 is contracted to GEN1 and the remaining 500 MWH is sourced from the *WESM*.

In this example, it is assumed that all *Mandated Participants* paid in full and remitted all of the *FiT-All Tariff* for the month. Using the methodology described in Section 2.3.1, the resulting allocation of MWH from FiT-eligible RE facilities per *Mandated Participant* is shown in the table below. These values represent the term MWH_{α} in **Equation 1**.

Table 1. Allocation of MWH from FiT, assuming full payment of FiT-All

MP	MQ	Allocation Factor (A)	Share of total MWH from FiT (B = A / Total A)	MWH from FiT Allocated (MWH_{α})	FiT Carry Over Quantity**
DU1	5,000	5,000	52.63%	500	0
DU2	2,500	2,500	26.32%	250	0
RES1	1,500	1,500	15.79%	150	0
GEN1	1000	500*	5.26%	50	0
TOTAL	10,000				

*Allocation factor to be based on the *Bilateral Contract Quantity Declaration* of GEN1 with respect to DCC1

** FiT Carry Over Quantity for the succeeding month

The value used in GEN1's *Metered Quantity* column for the purpose of allocation of MWH from MWH from FiT-eligible RE facilities is GEN1's *Bilateral Contract Quantity Declaration* to DCC1 (500 MWH) instead of DCC1's total *Metered Quantity*, which is 1,000 MWH.

As stated in Section 2.3.2 (b) of this Manual, MWH from *FiT* attributed to the *WESM* purchases of *Directly Connected Customers* shall be apportioned again to the *Mandated Participants* based on their monthly metered energy quantity. Since there is only one *Directly Connected Customer*, DCC1, in this example and it being a *Direct WESM Member*, examination of its *Bilateral Contract Quantity* with GEN1 compared to its *Metered Quantity* will result to its supply requirement sourced from the *WESM*, which is 500 MWH.

Table 2. MWH from FiT in respect of DCC1's WESM purchase

MP	WESM Purchases of DCCs	MWH from FiT for allocation to MPs
DCC1	500	50

Following the method stated in Section 2.3.2 (b), the MWH from *FiT* to be allocated to each *Mandated Participant* in respect of the *WESM* purchase of DCC1 is shown in the table below. These values represent the term MWH_{inc} in **Equation 1**.

Table 3. MWH from FiT in respect of DCC spot quantity or WESM exposure allocated to MPs

MP	MQ	Allocation Factor (A)	Share of total MWH from FiT (B = A / Total A)	MWH from FiT for allocation to MPs* (MWH_{inc})	FiT Carry Over Quantity**
DU1	5,000	5,000	52.63%	26	0.315
DU2	2,500	2,500	26.32%	13	0.16
RES1	1,500	1,500	15.79%	7	0.895
GEN1	1000	500*	5.26%	2	0.63
TOTAL	10,000				

*MWH from FiT allocated subject to Section 2.3.2 (b)

**FiT Carry Over Quantity for the succeeding month

Obtaining values from **Table 1** and **Table 3**, it can be observed that *FiT Carry Over Quantity* for each *Mandated Participant* will be fractional in value. Hence, these values will be carried over to the succeeding month. In summary, the *Monthly FiT Generation Share* of each *Mandated Participant* is shown in the table below.

Table 4. Monthly FiT Generation Share of each Mandated Participant for month m

MP	MWH from FiT Allocated (MWH_a)	MWH from FiT for allocation** (MWH_{inc})	Monthly FiT Generation Share ($REC_{m,i} = [MWH_a + FCO_{m-1} + MWH_{inc}]$)	FiT Carry Over Quantity* (FCO_{m+1})
DU1	500	26	526	0.315
DU2	250	13	263	0.16
RES1	150	7	157	0.895
GEN1	50	2	52	0.63

* *FiT Carry Over Quantity* for the succeeding month

** MWH from FiT-eligible RE facilities allocated subject to Section 2.3.2 (b)

Example 2. The example below uses the same *Mandated Participants* as Example 1. Additionally, the levels of remittance to the *FiT-All* by DU1, DU2, RES1 and NGCP in respect of DCC1 are indicated in the table below.

Table 5. Allocation of MWH from FiT, with partial payment of FiT-All

MP	MQ	Allocation Factor (A)	Share of total MWH from FiT (B = A / Total A)	FiT-All Remittance (C)	MWH from FiT Allocated* ($MWH_a = B \cdot C$)	MWH from FiT deferred allocation*** ($MWH_{UnpaidFiT,MP}$)
DU1	5,000	5,000	52.63%	90%	450	50
DU2	2,500	2,500	26.32%	100%	250	0
RES1	1,500	1,500	15.79%	85%	127.5	22.50
GEN1**	1000	500*	5.26%	90%	45	5
TOTAL	10,000					

*Total MWH from FiT calculated for allocation subject to full payment of FiT-All for the corresponding month

**Allocation factor based on the Bilateral Contract Quantity Declaration of GEN1 with respect to DCC1

***MWH to be allocated upon full payment of FiT-All

As seen on the table above, DU2 remitted one hundred percent (100%) and therefore has a *Monthly FiT Generation Share* with no MWH from FiT deferred for allocation. However, for the case of DU1 and RES1, their *Monthly FiT Generation Share* is pro-rated based on their *FiT-All Tariff* remittance. Specifically, RES1 has twenty-two and one half (22.50) MWH deferred for allocation resulting from the fifteen percent (15%) *FiT-All Tariff* for the month that is not yet remitted. On the other hand, DU1 has fifty (50) MWH deferred for allocation attributed to the remaining ten percent (10%) of its *FiT-All Tariff* corresponding to the unpaid *FiT-All Tariff* obligation.

As stated in Section 2.3.2 (b) of this Manual, MWH from *FiT-eligible RE facilities* attributed to the *WESM purchases of Directly Connected Customers* shall be apportioned to the *Mandated Participants* based on their monthly metered energy quantities. Since there is only one *Directly Connected Customer*, DCC1, in this example and it is a *Direct WESM Member*, it can be implied that it sourced its remaining supply requirement from the WESM amounting to 500 MWH. Considering this *Metered Quantity*, the MWH from *FiT* corresponding to WESM purchase of DCC1 for allocation to *Mandated Participants* is provided in the succeeding table.

Table 6. MWH from FiT in respect of DCC WESM Purchase

MP	WESM Purchases of DCCs	MWH from FiT for allocation to MPs
DCC1	500	50

Following the method stated in Section 2.3.2 (b), the MWH from *FiT* to be allocated to each *Mandated Participant* in respect of the *WESM purchase of DCC1* is shown in the table below. These values represent the term MWH_{inc} in **Equation 1**.

Table 7. MWH from FiT in respect of DCC spot quantity or WESM exposure allocated to MPs

MP	MQ	Allocation Factor (A)	Share of total MWH from FiT (B = A / Total A)	MWH from FiT for allocation to MPs* (MWH_{inc})	FiT Carry Over Quantity**
DU1	5,000	5,000	52.63%	26	0.315
DU2	2,500	2,500	26.32%	13	0.16
RES1	1,500	1,500	15.79%	7	0.895
GEN1	1000	500*	5.26%	2	0.63
TOTAL	10,000				

*MWH from FiT allocated subject to **Section 2.3.2 (b)**

**FiT Carry Over Quantity for the succeeding month

Obtaining values from **Table 5** and **Table 7**, the *Monthly FiT Generation Share* of each *Mandated Participant* is summarized in the table below, where incremental (i.e., fractional) MWH in the fourth column, *FiT Carry Over Quantity*, will be carried over to the next month ($m + 1$).

Table 8. Monthly FiT Generation Share of each Mandated Participant for month m

MP	MWH from FiT Allocated (MWH_a)	MWH from FiT for allocation* (MWH_{inc})	Monthly FiT Generation Share ($REC_{m,i} = \lfloor MWH_a + FCO_{m-1} + MWH_{inc} \rfloor$)	FiT Carry Over Quantity* (FCO_{m+1})
DU1	450	26	476	0.315
DU2	250	13	263	0.16
RES1	127.5	7	135	0.395
GEN1	45	2	47	0.63

*MWH from FiT allocated subject to Section 2.3.2 (b)

**FiT Carry Over Quantity for the succeeding month

Example 3. The example below uses the same *Mandated Participants* as Examples 1 and 2. Also provided in the table are the levels of remittance of the *FiT-All* by DU1, DU2, and RES1 and the *FiT Carry Over Quantity* of each *Mandated Participant* from the previous month (FCO_{m-1}).

Table 9. Allocation of MWH from FiT, with partial payment of FiT-All due to non-payment of end-users

MP	MQ	Allocation Factor (A)	Share of total MWH from FiT (B = A / Total A)	MWH from FiT	FiT-All Remittance	Uncollected FiT-All from End-users	MWH from FiT Allocated (MWH_a)	MWH from FiT deferred for allocation***
DU1	5,000	5,000	52.63%	500	90%	2%	450	40
DU2	2,500	2,500	26.32%	250	100%	-	250	0
RES1	1,500	1,500	15.79%	150	85%	5%	127.5	15
GEN1	1000	500*	5.26%	50	90%	-	45	5
TOTAL	10,000							

*Net of allocation related to unremitted FiT All by end-users

On the 7th column (Uncollected FiT-All from End-users) of the table above, there are *FiT-All* non-remittances attributed to non-payment of end-users. As stated in Section 2.3.2 (a) item ii of this Manual, the MWH from FiT attributed to this circumstance shall be apportioned to the *Mandated Participants* based on their monthly metered energy quantity following Equation 3. **Table 10** shows the total MWH from *FiT* for allocation for this condition.

Table 10. MWH from FiT in respect of End-user's Non-Payment of FiT-All for Allocation to all MPs

MP	MWH from FiT*	Uncollected FiT-All from End-users	MWH from FiT for allocation to MPs
DU1	500	2%	10
DU2	250	-	-
RES1	150	5%	7.5
GEN1	50	-	-
	TOTAL		17.5

*Total MWH from FiT calculated for allocation subject to full payment of FiT-All for the corresponding month

As stated in Section 2.3.2 (b) of this Manual, MWH from *FiT* attributed to the *WESM* purchases of *Directly Connected Customers* shall be apportioned again to the *Mandated Participants* based on their monthly metered energy quantity. Since there is only one *Directly Connected Customer*, DCC1, in this example and it is a *Direct WESM Member*, it can be implied that it sourced its remaining supply requirement from the *WESM* amounting to 500 MWH. The MWH from *FiT* corresponding to *WESM* purchase of DCC1 for allocation to *Mandated Participants* is provided in the succeeding table following **Equation 3**.

Table 11. MWH from FiT in respect of DCC spot quantity or WESM exposure

MP	WESM Purchases of DCCs	MWH from FiT for allocation to MPs
DCC1	500	50

Based on the values provided in **Table 10** and **Table 11**, the total value of MWH from *FiT* for allocation to *Mandated Participants* is 67.5. **Table 12** shows the allocated MWH out of the 67.5 MWH per *Mandated Participant*.

Table 12. MWH from FiT allocated to MPs subject to **Sections 2.3.2 (a) item ii and 2.3.2 (b)**

MP	MQ	Allocation Factor (A)	MWH from FiT for allocation* (MWH_{inc})
DU1	5,000	5,000	35.52525
DU2	2,500	2,500	17.766
RES1	1,500	1,500	10.65825
GEN1	500	500*	3.5505
TOTAL	10,000		

*MWH from FiT allocated subject to Sections 2.3.2 (a) item ii and 2.3.2 (b)

Table 13 shows the *FiT Carry Over Quantity* of each *Mandated Participant* from the previous month.

Table 13. FiT Carry Over Quantity from the previous month

MP	FiT Carry Over Quantity from previous month (FCO_{m-1})
DU1	0.75
DU2	0.80
RES1	0.90
GEN1	0.25

The *Monthly FiT Generation Share* of each *Mandated Participant* is summarized in the table below. Incremental (i.e., fractional) MWH from FiT-eligible RE facilities in the last column will be carried over to the next month ($m + 1$).

Table 14. Monthly FiT Generation Share of each Mandated Participant for month m

MP	MWH from FiT Allocated (MWH_a)	FiT Carry Over Quantity from previous month (FCO_{m-1})	MWH from FiT for allocation* (MWH_{inc})	Monthly FiT Generation Share ($REC_{m,i} = \lfloor MWH_a + FCO_{m-1} + MWH_{inc} \rfloor$)	FiT Carry Over Quantity (FCO_{m+1})
DU1	450	0.75	35.52525	486	0.27525
DU2	250	0.80	17.766	268	0.566
RES1	127.5	0.90	10.65825	139	0.05825
GEN1	45	0.25	3.5505	48	0.8005

*MWH from FiT allocated subject to Sections 2.3.2 (a) item ii and 2.3.2 (b)