

## Comments on the Draft COE Circular re Renewable Portfolio Standards (RPS)

Title	Section	Original Provision	Provision/Amendment	COMMENT / PROPOSED REVISION	Rationale
RULE 2. RPS POLICY, MINIMUM ANNUAL REQUIREMENT AND ANNUAL INCREMENT	Section 7. Minimum Annual RPS Requirement.	$RPS_0 + K \sum_{n=1}^n AMI(n - 1)$	$RPS_0 + K \cdot ES(n-1)$	to be consistent on the definition under <b>Where:</b>	
	Section 8. Minimum Annual Incremental RE Percentage.	The minimum annual increment in the RPS level shall be initially set at 2.15 percent (2.15%) to be applied to the actual total supply portfolio of the Mandated Participant in each grid for the previous year. This is to determine the current year's requirement for RECs of the Mandated Participant:		Section 8 and Section 7 should be harmonized. In Section 7, the Mandated Minimum Annual Incremental RE Percentage is multiplied to net electricity sales while the Minimum Annual Incremental RE Percentage in Section 8 is applied to the actual total supply portfolio of the Mandated participant.	
RULE 3. ELIGIBLE RE TECHNOLOGIES AND FACILITIES, AND MANDATED PARTICIPANT	Section 9. Eligible RE Technologies	(f) Impounding hydropower sources that meet internationally accepted standards;	(f) Impounding hydropower sources	Delete internationally accepted standards;	<ul style="list-style-type: none"> <li>• Other RE resources are without any qualifier</li> <li>• For avoidance of doubt, what are internationally accepted standards that will make this RE eligible?</li> </ul>
RULE 4. RPS COMPLIANCE MECHANISMS AND RE CERTIFICATE	Section 14 Compliance Mechanisms	c. Generation from an eligible RE power generating facility with a Power Supply Agreement (PSA) dully approved by the ERC	c. Generation from an eligible RE power generating facility with a Power Supply Agreement (PSA) dully approved by the ERC <b>for DUs</b>	ERC approval of PSAs are only applicable for DUs (because of their captive market). ERC approval of PSAs, for purposes of recognizing compliance, should not be made applicable to RESes	
General Comment					<ul style="list-style-type: none"> <li>• Shouldn't we also include</li> </ul>

## Comments on the Draft COE Circular re Renewable Portfolio Standards (RPS)

					<p>purchases from the spot market as a means of compliance to the RPS? The WESM being gross pool, the load customer is technically consuming a share of the RE gen produced in every trading interval. In fact currently, the benefit of zero vat from re gen resources are being enjoyed by everyone since their VAT by the end of the month is applied by a factor called GMR (Generation Mix Ratio), which is the share of the RE generation to the dispatch of all plants for every trading interval .</p> <ul style="list-style-type: none"> <li>• There needs to be an aligning of recognizing compliance by virtue of spot purchases and BCQ contracts. By default all RE generation is spread across all participants. Will having a BCQ Agreement with an RE “remove” that share in the RE Pool (now currently being distributed to the pool) which means this means of compliance can change the calculation of the GMR?</li> </ul>
<p>RULE 4. RPS COMPLIANCE</p>	<p>Section 15. General</p>			<ul style="list-style-type: none"> <li>• Kindly clarify how WESM sales and purchases from</li> </ul>	

## Comments on the Draft COE Circular re Renewable Portfolio Standards (RPS)

MECHANISMS AND RE CERTIFICATE	Principles on the Establishment of the REM and the RE Registrar.			<p>RE generating facilities will be allocated.</p> <ul style="list-style-type: none"> <li>• How will RE dispatch from ancillary be allocated?</li> <li>• If the RE unit is on MRU, how will this be allocated?</li> </ul>	
		<p>f. The Mandated Participant may be assessed periodically with corresponding penalties for non-compliance with the RPS requirement consistent with the REC validity;</p>		<ul style="list-style-type: none"> <li>• Is the amount of penalties left to the discretion of the DOE since we observe that there is only a range provided?</li> <li>• A table of penalties is preferred to avoid the imposition of arbitrary fines that may not be commensurate to the alleged violation.</li> <li>• Minimal non-compliances should have corresponding fines and not subject to arbitrary penalties</li> </ul>	