

Q & A
Public Consultation on the Proposed Adjusted Annual Incremental RE Percentage (K_m)
 Date: 10 September 2021
 Webinar via Zoom

No.	NAME and AFFILIATION	QUESTIONS/COMMENTS	RESPONSES
1	GIAN KARLA GUTIERREZ	how many equivalent MW is DOE targetting to add by increasing the RPS increment to 2.52%?	Based on the simulations, if 2.52% adjustment in the annual increment will be applied, by 2030, around 55 TWh by 2030 is expected to be generated.
2	Eric Louis - Shell Energy Philippines	Would DOE be able to share the simulation/projections made on RPS compliance?	<p>Moderator: I guess we already answered this through email on your request, Sir Eric, but if there will be a comment?</p> <p>1. Yes I guess this question came from email. This was also asked through email from RPS Technical Secretariat, we are reviewing currently your email and we will respond accordingly because this simulation are internal document at the moment and we will request our RPS Committee if we can provide this simulation to the mandated participants. Thank you.</p> <p>2. 'Yung specific concern kasi ni Mr. Louis actually on their compliance, so what I have suggested for them is every now and then we do conference one by one meeting for each mandated participants to discuss the requirements based on your net electricity sale as a retails electricity supplier. So I suggest to discussed this with the TSMD so that you can present how do you intend to meet your mandated compliance under the RPS. Actually kayo nakakaalam nang sales n'yo and you just add whatever if you have existing kasi 3 years naman banking ang RECs so if you have earned renewable energy certificates from eligible RE contracts, actually you can determined how much energy generated and the equivalent RECs be needed by your company. Thank you.</p>
3	Jon Cleofas/ MGEN	Thank you for the support to the development of RE. Just want to again clarify the basis on the aspirational target of the 35%	<p>1. I think I mentioned that in 2008, based on the numbers of the share of RE imposed capacity and generation was 34% according in numbers so were just aspiring do a little better a 35% because we slip down to 21% as of 2019, so that the basis when RE Act assigned it was 34% / 35% and now we just want to go back, a realistic aspiration as far as I believe it takes"</p> <p>2. I remember that it was discussed considering the 2008 share at the RE involve generation and capacity, nasa 34% tayo so initially what the group has indicated is that, balik lang natin ang dating level and will work on whatever increase as maybe needed, first by taking into consideration, among others, that will impact on the sectors that support renewable energy. Thank you.</p>

4	Jayson Corpuz	<p>Section 12 of DC2017-12-0015, "xxx As such, any additional cost arising from their compliance with the RPS should not result in higher electricity rates to their customers. xxx" How can we implement this to DUs with full or over contract? To comply with the RPS, this will entail an additional/increase in rate. In case of the Electric Cooperatives (non-profit) or DUs with no marginal profit, where can they source this additional cost? Will it be passed-on to the consumers? Thank you.</p>	<p>1. As earlier mentioned in my opening message as well as expounded by our RPSCT Chair and Assistant Secretary Redentor Delola, gumagawa tayo nang programa para ma-lesser 'yung impact dun sa electricity consumer ng ating distribution utilities. Kaya meron po tayong tinatawag na Green Energy Auction Program (GEAP), na parang FIT nga po na any generation will be allocated to all DUs on-grid. The DOE, actually, is aggressively promoting and with the recent issuance of ERC noong Rules on the GEAP, eventually we will be able to roll-out and promote the GEAP. Because as of now, marami na po talagang interesadong consumer to avail themselves this consumers driven program.</p> <p>And then 'yung Net-metering, we're expanding it to many areas that the customers can earn RE certificate out of the Net-metering installation. Continuously, nakita namin yung load growth, the annual load growth of each DU, based dun sa initial simulation, was ranging 2.50 to around 5% may annual increment on the load growth. So, hindi naman po stagnant ang growth ng ating DUs. So, we have to be worry that we have this obligation imposed by the RE Law to comply with the mandated. So, when we do procurement of the power supply that we needed, then we have to consider 'yung renewable energy, that's why we're promoting waste-to-energy (WTE).</p> <p>WTE will be promoting biomass, geothermal, these are based load. For peaking, of course we have the solar, wind is there also, we're developing off-shore wind which is currently now being the primarily support of electricity supply in many European Countries like Britain and some other countries. So, marami po ito. We are not looking at burdening the consumers natin because that is actually the purpose why we are creating a lot of programs to mitigate the impact this RPS mandate. Thank you.</p> <p>2. I'd like to point out that if you look at the earlier presentation on K0, 3.4% lang ang share ng FIT plants in total. Ang liit talaga nang RE relative to the total, that's one, tapos very important 'yung sinabi ni Director My on the growth. Ang laki nang growth particularly outside of the urban setters like MERALCO for example, mas malaki 'yung growth. So, they would be better able to accommodate 'yung additional requirement.</p> <p>And then this concern about those existing over contract. I guess that's the problem, I recently talk to it, give presentation and recommend first for example, a lot of DUs have and a lot of oversupply of baseload contract. That's a problem and we have to address that. But that's not something that should really affect 'yung RPS kasi iba naman 'yung solution diyan.</p> <p>Pagkatapos, I think it's important to note also that 'yung cost implications are not necessarily cut-and-write. Maraming RE na mas mura na at kitang kita natin that some of those with contracts kahit na baseload contracts, ang tataas nang kanilang actual rates to their consumers. Bakit? Kasi nga may 12% VAT, etc. So, if you look at the breakdown of the generation cost, makikita natin na mahal pala yung average blended generation rate, and baka there is opportunity for RE to reduce that. I am seeing a lot of opportunity for that. And kahit na, let's say, 'yung mas mahal na RE like biomass, maganda sa biomass mas distributed s'ya. You can actually do distributed biomass competing with the main cost, with the main grid supply, dahil you don't have to have the transmission cost. So, ang dami daming dynamics dito. And I think those dynamics can work in favor of DUs that will procure more RE following all of these initiatives by the DOE.</p>
5	Elvin Dennoyo	<p>what about those DUs with full bilateral contract or has over contract, are they still required to comply with RPS which will probably has upward impact of the rate?</p>	<p>Yes. Under Section 12 of the RPS On-Grid Rules, all DUs are mandated to comply with minimum annual RPS requirements. Regarding the fully-contracted DUs, the ERC will issue a regulatory framework for guidance of all Mandated Participants.</p>

6	CRISTAL JANE SOLDANO	<p>We would like to be clarified as to what are/is the main objective/s of the adjustment or annual increment to be made to the RPS requirement, is it to be able to achieve the commitment on reaching 30% RE portfolio in 2030?</p>	<p>Section 9 of the RPS On-Grid Rules states that the incremental RE percentage shall be adjusted by the DOE, in coordination with the NREB, when the prevailing percentage is deemed insufficient to attain the Target RE Share. With the Adjusted Km, the RE Share is projected to increase from 20.81% to 36.96% by 2030.</p>
		<p>We would like to note, that as per EPIRA, all DUs are mandated to ensure the quality, reliability, security and affordability of the supply of electric power.</p> <p>As of to date, Renewable Energy Sources are higher in costs as compared with conventional sources like coal fired power plants. Other than that, renewable sources of energy especially from wind and solar are not that dependable.</p>	<p>As mentioned earlier during my presentation, the RPS requirement is just one of the programs, and this incremental requirement is one of the policies that we are coming out with to support our aspirational target [of 35% by 2030]. We are not doing this without any other supporting programs. As mentioned earlier, there are supporting programs that support our compliance to this requirement, and it doesn't result to DUs having additional cost in terms of their compliance.</p> <p>As presented by Dir. Mylene earlier, we also need to look into the growth that we have. In fact, if we look at the simulations that we've done for individual DUs, there are DUs that are fully contracted right now, there comes a point in time wherein some of your contracts will free up. So, as of now, you already have the ability to design your procurement to be able to comply with your energy requirement, and at the same time comply with your RPS requirement. That is allowed under the CSP Rules. So, andiyang po 'yan. And kung ang kinakatakot natin is the increase from 1% to 2.52% as mentioned earlier, may mga programs po na magsisimula pa lang. The GEOP – again, all of the RECs generated from the GEOP goes to the DUs as part of your compliance, that's at no cost to the DU. So, hindi po tataas ang cost ng power natin d'yan.</p> <p>We have the expanded Net-Metering Program, the Green Energy Auction Program (GEAP) wherein all the RECs generated from the GEAP are allocated to the DUs at no cost. So, ganoon po ang ating mga programs that we've lined up to support 'yung pag-increase ng ating increment.</p> <p>Next point 'yung RE Sources are higher in cost compared with other conventional plants. Well, historically, that's the trend – that's the reality. But if we look at the trend, as mentioned nga earlier, mababa po s'ya. In fact, in our GEAP, we are anticipating that the results of the auction would be very competitive because of 'yung exponential decline din on the cost of technology of RE. So, ganoon po 'yun no. And 'yung compliance naman ng mga DUs na sinasabi natin na "fully-contracted ako," hindi ako makaka-comply," kaya po tayo humihingi ng Annual Submission for us to review kung nasaan na tayo, kung kaya ba natin i-comply or not.</p> <p>Will it add additional cost? Na-emphasize na po ng ERC kanina and even the policy of the DOE stated na dapat walang additional cost. So, we will check on that. Titingnan po natin 'yan, 'yung Annual Submission n'yo. Kaya nire-require natin lahat ng DUs mag-submit annually kung nasaan na tayo sa compliance. Collectively, we see nga na meron talagang requirement lahat by 2023. So, even if we say na "may contract na ako, actually" and meron na kayong demand na pwede nating supplyan ng RE to be able to comply with your RPS requirements. So, ganoon po no. Sa ngayon pa lang, "nao-overcontract ako, paano 'yung cost ko?" We really have to look into the figures. Annual naman po kaming nag-iikot, kinakausap naman po natin lahat ang Mandated Participants annually, we do our simulations and you know that no. We've done from face-to-face hanggang ngayon nagging virtual na. We constantly coordinating with all the Mandated Participants to help you comply with the requirements. Thank you.</p>

7	CRISTAL JANE SOLDANO	<p>As such, increasing the annual RPS requirement would generally deviate if not make the EC violate its mandate as provided in the EPIRA. This is also very untimely, considering the crisis the country is facing amidst COVID-19 that it would become so insensitive to MCOs whose income is heavily affected by the situation. Wherein, our Power Rate would increase just to be able to comply with the RPS requirement.</p>	<p>In addition to the responses, DUs should be able to take into consideration other means to comply through their customers such as net metering and the Green Energy Option, considering the Mandated Participants are the DOE's partner in furthering our RE aspirations. Moving forward, DUs should consider in their short and long-term plan compliance strategies available to them.</p>
		<p>Thus, instead of increasing the annual RPS requirement, we would like to propose that the RPS annual requirement be reduced. In effect, DUs who would buy or install RE plant to comply with the number of RECs would be able to avoid the increase in the Power Rate. Bearing also in mind that the 30% RE portfolio commitment for year 2030, rooted from the world action to reduce carbon emission/ footprint, due to the pandemic was significantly reduced.</p> <p>Comment from Atty. Layug: When we endorsed the RPS in 2017 for the DOE's approval, we knew that 1% was really low but it was the highest it that could get approval from DOE then was to receptive. The NREB in 2016 to 2018 was aware of the DOE's reluctance on the RPS, so we took a baby this step on 1% with the understanding that the DOE may increase and adjust it upwards when it is more receptive. With the further decrease with the cost of RE technology, which is now around 3.50kW for RE PSAs, it is time to increase the RPS on the currently proposed percentage.</p>	<p>On the suggestion of Ms. Cristal Jane Soldano that instead of increasing the annual RPS requirement, they want to propose that the RPS annual requirement be reduced. In effect, parang sinasabi niya, DUs would buy or install RE plant to comply with the number of REC, would be able to avoid the increase in the power rate. Bearing also in mind that the 35% RE Portfolio Commitment for the year 2030 rooted from the World Action to reduce CO2 emission footprint due to the pandemic.</p> <p>Actually, gusto lang naming i-emphasize na 'yung isa o dalawang sa mga compliance mode ng isang Mandated Participant is to build your own renewable energy plant lalo na kung embedded 'yan or malapit doon sa area n'ya. May mga hydro resources d'yan, or even solar, or kung anumang merong renewable energy potential sa area ninyo. So, the generation of that, actually, will generate corresponding RE certificate.</p> <p>Now, 'yung isa naman po is bibili kayo or makikipagkontrata kayo sa isang RE Developer na dapat RPS Eligible 'yung kanyang planta, otherwise it will not earn RECs. So, importante po 'yun. Iba po itong dalawang ito sa mode of compliance. But 'yung target natin na percentage to meet the objective of the RE Act which is, each Stakeholder in the industry should contribute to the growth of the RE in the country. Bakit po? Ang Philipines po ay isang malaking solo island. Wala po tayong katabi like other countries. So, wala tayong pagkukuhaan ng ibang sources of energy kundi 'yung nasa atin din. And if we will not encourage the use of indigenous RE sources in the country and clean, then very volatile ang price if we continue to import fuel coming from other countries. Ito po ang binabalanse natin that's why the DOE has already developed and pronounced its Clean Energy Scenario under the Philippine Energy Plan, 'yung National Renewable Energy Plan natin. Papunta na po tayo doon sa cleaner fuel just to mitigate 'yung impact ng ating sources, supply. But, of course, the DOE considers also 'yung energy security. 'Yung dapat may 24 hours supply tayo sa ating consumer. So, medyo iba po 'yung reducing it because kung i-reduce natin ngayon 'yan and given the target or mandate to achieve 35 % RE share by 2030, medyo mababa 'yan, but eventually, we have to catch up with the 35% RE share. So, 'yun po. Sinasabi natin kanina, we're doing other programs to support 'yung compliance ng ating Mandated Participants particularly the DUs in the RPS mandate. Thank you.</p>

8	Jennylyn Bobiles	<p>one of the ways to comply with the RPS rule is through voluntary REM generators such as net metering and solar rooftop for own use, will DOE release a specific policy in relation to acquiring of RECs thru this kinds of generators which includes among others the installation of meters on the customers' side. It would be easier to coordinate the mandate to the customers if the policy is available. thanks</p>	<p>1. Actually, it's in our Department Circular on the RPS On-Grid Rules, DC2017-12-0015. May provision po tayong doon, on the accruing Net-Metering generation and the Green Energy Auction Program (GEAP) doon sa DUs sa host. So, meron na po tayong provision niyan and I understand in the Green Energy Option rules of ERC nakalagay narin ang accounting noon and in the Net-Metering, the ERC Rules also provides the mandate as to who is responsible to Net-Metering particularly in the REC meter na dapat malapit s'ya doon sa connection point. So I think there's already policies and rules in place. I-download n'yo na lang po ang policies and and rules issued by both DOE and ERC to guide you properly and if you have further question don't hesitate to send us an email so we ca guide you further.</p> <p>2. To support lang the response of Dir. Mylene, she's correct that the necessary policies have been lay down with respect to the training of the RE Certificates for the small facilities. So, in the REM Rules, the DU hosting the Net-Metering Facility or the small facility has to submit through a form the metered quantity data collected from the meters that are installed in the facilities of the particular customer, and the DU can claim. There's a timeline set on a regular basis. This should happen quarterly. Actually, in line with the ongoing validation, the RE Registrar would set a timeline with respect to the submission of the metered quantity data for the adequate RE certificates to be issued out of the generation of this facilities.</p>
9	SUKELCO-Michael Jay Lebanan	<p>Are there any simulations conducted that resulted to no additional costs to the rate of the DU?for example, a model EC/DU with under contracted demand and EC/DU with over contracted demand</p>	<p>The RPSCT has yet to prepare such simulation/study.</p>
10	Jon Cleofas/MGEN	<p>In the Plexos Model, did we consider the cost for Ancillary Services in light of the increase in the VRES? Do we have an indicative amount?</p>	<p>The simulations considered the cost of putting up necessary ancillary services (AS) based on simulated costs of dispatching power plants. The resulting optimal supply mix led to Adjusted Km of 2.52% starting 2023.</p> <p>For the impact of cost of AS to Mandated Participants, the RPSCT has yet to prepare such simulation/study.</p>

11	Gerry Nepomuceno, Angeles Electric Corp.	The difference between the 34% share of RE in 2007 and the aspirational target in 2030 is that the plants then were mostly geothermal and Hydros. In order to fill up the new target, solar and wind will have to be added extensively. We are going introducing the element of intermitency into the grid. My question is, has a GRID IMPACT STUDY been conducted by NGCP to assure the reliability and security of the GRID?	<p>For each of the RE Project, 'di ba, required 'yung System Impact Study by the NGCP? So, what the DOE also has undertaken jointly with the National Renewable Energy Laboratory (NREL) and USAID was the establishment of a study on what we call the Competitive RE Zones (CREZ). Although the title is competitive RE zone, it's a visualization of the proposed transmission lines, the upgradings needed, and where are the potential energy projects. This includes 'yung mga conventional na nasa listahan ni NGCP under the TDP. So, nakalagay na po doon, and for any investor, they would see that ito po 'yung programa ng National Grid Corporation of the Philippines as far as transmission development is concerned. So, alam niya na nandoon s'ya sa schedule nang NGCP.</p> <p>Second, I think 'yung latest draft ng TDP ni NGCP which includes already the CREZ projects or the CREZ program ay nakasama na dun, and I think Asec. RED can further confirm but this may be subjected to a Public Consultation na rin po. Also, the DOE, as mentioned earlier, we have been providing support to Geothermal Energy because we wanted to go back to our original position which is number 2 in the world as producer. Nakita kasi natin na napakamahal ng pag-develop ng geothermal and 'yung investment risk niya. So, the DOE is supporting 'yung mitigation of investment cost or ang tawag natin dun ay de-risking, same with the biomass, particularly waste-to-energy. Hindi lang 'yung energy ang tina-target nito, coming particularly from the Local Government Unit Solid Waste Management Program, but as well as 'yung potential empowerment of our LGU to produce and provide electricity to the country by cleaning also our environment. So, all of these are already considered in determining the RPS mandate. So, connect-connect 'yan, hindi lang natin itinataas ang RPS requirement, but we provide support programs para meron namang back-up ang ating mga Mandated Participants. Thank you.</p>
11	Gerry Nepomuceno, Angeles Electric Corp.	The difference between the 34% share of RE in 2007 and the aspirational target in 2030 is that the plants then were mostly geothermal and Hydros. In order to fill up the new target, solar and wind will have to be added extensively. We are going introducing the element of intermitency into the grid. My question is, has a GRID IMPACT STUDY been conducted by NGCP to assure the reliability and security of the GRID?	<p>1. Actually, may mga policies na tayo and in fact, mayroon na tayong nilabas and that includes moratorium of coal power plants. It's not just centered in the coal as not a clean source of technology, but it's really looking at the flexibility of the grid. Sa ngayon, ang level of baseload capacity that we have, especially in Luzon is very high compared to our baseload requirements. So, ang nangyayari, our baseload capacities are cycling day-in and out. So, during the time na kailangan na natin 'yung baseload capacity, doon sila nagforce outage. Nagkakarong ng problema. That's one of the reasons why we really looking into the need for a flexible generation mix. Naglabas tayo ng moratorium of installation of coal plant kasi nakikita natin even in the next few years, satisfied, kung baga, covered na 'yung baseload requirement. What we need are the more flexible plans to manage the intermittency of the the existing RE Facilities and incoming RE Facilities. So, mayroon na po tayong steps na ginawa on that. And now, we're moving towards the implementation of a research market that will add an investment window for companies to invest in ancillary services. So, aside from ancillary service contracts, you have another window which is the research market to sell your power to manage the intermittency of the grid. So, kasama po yan. And in fact, I think even 'yung ating simulation to come up with the figures that representing, kasama po ang requirement for ancillary service and the management of the intermittency and variability ng grid. Kasama 'yan sa considerations na ginawa natin before we even came up with the National Renewable Energy Plan. Thank you.</p> <p>2. 'Yung Transmission Development Plan (TDP), for the first time, may chapter on Smart Grid and Smart Grid Demonstration pa 'yung NGCP. There's also a separate chapter on Battery Energy Storage. In addition ito sa mga sinabi ni Dir. Mylene regarding sa Competitive RE Zones (CREZ) and so on. So, we are seeing an acceptance of new technological trends in NGCP. Tapos 'yung sinabi ni Asec. Delola na nagsa-cycle po 'yung mga coal plants. Recently, in an organization that I'm part with, tinitingnan po namin dahil dun sa blackout noong May 31 and June 1, mga rotating blackouts, tiningnan po namin 'yung cause, tiningnan po namin yung actual operation noong ating mga coal plants. Lahat po sila nagsa-cycle, wala po tayong coal plant na nag-o-operate as a baseload power plant. So, given that ganyan na nga po and I know it, I'm very familiar with Angeles Electric, and I know that they do have experience, their group, in Solar Energy. Alam nila na hindi naman nagsi-zero output. Bumababa 'pag may clouds. Pero hindi siya nagsi-zero. Ang nakita po namin na nagsi-zero po sa ating grid ay ang malalaking planta natin. Kaya tayo nagkakarong ng mga rotating blackout katulad noong May31 at June 1. So, 'pag tiningan natin 'yung intermittency is present in our grid, but that intermittency, personally, I'm making this statement that does not come from RE. Variability, yes. Intermittency, no. That comes from another source of power in our grid, and we really have to address that. Thank you.</p>

12	Elvin Dennoyo	the primary concern of the end-users are high electricity rates in the country, have we evaluated thoroughly the impact to the electricity rates when the increase of RPS percent requirement be mandatorily implemented?	The RPSCT has yet to prepare such simulation. However, there are ways in which the Mandated Participants can comply with their RPS requirements in a least cost manner. Likewise, the DOE is developing ways or programs to make it easier for the Mandated Participants to meet their RPS requirements, e.g., GEAP, through GEOP and Net Metering Program.
13	Carlito Claudio	Of the 2030 and 2040 RE target shares of 36.96% and 55.87%, respectively, what is the projected breakdown between VRE (solar, wind and run-of-river hydro) and non-VRE (pondage hydro, geothermal, biomass and waste-to-energy)?	The 36.96% and 55.87% target RE shares correspond to 54.91 TWh and 126.41 TWh, respectively. There is no prescribed target/breakdown per RE technology.
		Has the impact of the increase in VRE generation on grid reliability and on market pricing and scheduling been considered by NREB in their study? What is DOE's plan to mitigate the adverse effect of large VRE generation on the power system and the WESM?	In the 2017 Philippine Distribution Code, the integration of large VREs are taken into account. The DOE adopts PDC's guidelines and specifications for embedded generation coming large VREs. Further, with the assistance from the USAID and NREL, there were studies conducted on intergration and penetration of VREs in the power systems. First was the Greening the Grid Study where the study determine the acceptable level of RE penetration in the grid, and this was followed by the Competitive RE Zones Study (CREZ), which visualizes the proposed transmission lines needed to interconnect not only the RE Projects but planned conventional projects as well. Currently, we are in Phase 2 of the CREZ Project where activities on load forecasting and long-term energy planning as well as energy storage and ancillary services requirements are undertaken to support the entry of more RE in the power system.
14	Eric Louis, Shell Energy	We are supportive of DOE's initiative to increase the RPS requirement incremental requirement to attain our aspirational or perhaps RE target share in PH. We hope that DOE can also introduce a higher requirement to spur growth in RPS compliance in the short term which could be reduced or taper off at a later point.	As presented earlier by Asec. RED, the DOE considers to increase the RE percentage increment from 1% to 2.52% starting 2023 to reach at least 35% of RE Share in the country's generation mix by 2030.
15	Jerome Bismonte, Meralco	<p>What is the likelihood and the extent of the variation of the K0=3.34% given that the value is for Year 2020?</p> <p>Since this is critical for long-term planning of DUs, what is the timeline for the revision?</p>	The K0 for 2020, that's based on, in terms of percentage, 'yung supply from the FIT plants. So, kung titingnan natin, 'yung lahat ng DUs in 2020, 3.34% of your, say for example you get also the energy from the FIT, 3.34% noong inyong supplies coming from the FIT. So, 3.34% of the RECs 'yung nabibigay ni FIT sa inyo. So, by 2021, the 3.34% may be lower kasi lumaki na yung demand ninyo, but the 3.34% as a requirement is fixed kasi nabigyan ka na niyan noong 2020. So, kung planning ang ating tinitingnan, do not look at 3.34 as free for lifetime na meron ka nang compliance. The 3.34, kunin mo 'yung equivalent RECs noon, mayroon ka na noon lifetime kasi hindi na mawawala 'yan, that's from the FIT. So, ganoon po s'ya in terms of long term planning. So, 3.34 in 2022, 'yan 'yung contribution ng FIT. Alam naman natin lumalaki ang demand, so, liliit ang 3.34 moving forward in terms of the percentage of the actual RECs from the requirement. But the REC itself that's constant. So kung nagpa-planning po tayo, i-constant n'yo na ang compliance from whatever is the actual value in RECs of the 3.34% so you have that actual value na moving forward. So, para 'pag nag-plan po kayo alam n'yo gagawin n'yo. I think that's extensively explained during our, 'yung 'pag nag-iikot tayo, reviewing 'yung worksheet noong ating RPS form natin with our Mandated Participants."

15	Jerome Bismonte, Meralco	What would be the impact of GEAP on the proposed increase in Km (2.52%)?	<p>'Yung Green Energy Auctio Program natin once it's successfully implemented, ang nakikita natin impact niya is hindi n'yo na kailangan mag-comply doon sa increment na 1.52%. 'Di ba, 1% you're already required. So, if we're not changing that, 1% pa rin 'yung requirement mo nang 2023, 2024, 2025. But since gagawin natin s'yang 2.52% by 2023, so, 'yung 2023, 2024, 2025 n'yo, since that's the coverage of the GEAP, meron kayong compliance from the GEAP. So, parang ang lumalabas, you're continuing your compliance for the 1% until 2025. So, ganoon po ang impact ng GEAP, and may Green Option ka pa, Net- Metering. So, talagang there will be RECs allocated to the DUs to comply with this requirement at least until 2025. But that's anchored on the successful implementation of the GEAP.</p>
16	Eric Louis, Shell Energy	<p>We also would like to inquire if DOE is already contemplating the adoption of other mechanisms that could accelerate compliance and attainment of our desired targets such as: voluntary trading of non-mandatory participants, REC multiplier and RPS carve-outs for certain technologies with installation deadlines (will only qualify once met)</p>	<p>Yes, the DOE is open to other mechanisms to meet the aspirational targets, e.g., voluntary trading of RECs from Non-Mandated Participants. Also, the DOE has ongoing efforts to issue Department Circulars to increase the equivalent of RECs of generation from geothermal resource and Waste-to-energy (WTE).</p>
17	KAREN AJIAS	<p>Provided the 2020 Power Situation Report, RE for each Grid is not yet that far below from the target. And also, i think most of the mandated participants or DUs are on the process of procuring/contracting RE supply now. It is better to have a bilateral RE than buying from RE market since it entails additional cost/rate. So that it would not be a burden, can it be possible to have lesser Adjusted Km starting 2023 until 3 or 5 years, and adjust again for the succeeding year.</p>	<p>We have looked at possibly a lower increment adjustment at an early stage pero ang impact is even bigger adjustment down the line. So, 'yun po 'yung ayaw natin gawin. I think I saw I simulation na 1.75% pero magiging 3% naman s'ya or more down the road. So, mga ganoong simulation which would probably a bigger problem.</p> <p>When we looked at all the simulations, nakikita natin na pinaka practical na increment is the 2.52% as recommended by NREB. I think that's my view on that na kung pwede ba'ng mas maliit tapos lakihan natin down the line. I think I've mentioned that earlier, kaya 2.52% muna tayo ngayon kasi 'yun na 'yun, kaysa maliit tayo muna tapos lalakhian natin after a few years which would be an even bigger percentage, kasi 'di ba compounding 'yan? So, kung 'yung 1.52% na increase natin eh magko-compound s'ya kasi hindi natin in-increase, in a matter of few years, ang laki na noong additional percentage na ilalagay natin. So, that's just to address the question.</p>

18	Jon Cleofas/MGEN	with the other programs in place such as GEOP and Net Metering, there is a possibility that a mandated participant will exceed their incremental Km percentage requirement, if this is the case will there be a review of the annual incremental RPS requirement?	<p>1. Results of the simulation show that all Mandated Participants have sufficient RECs until 2022 and REC Shortfall levels are anticipated to occur starting 2023.</p> <p>2. Yes, there is a possibility that lalampas ang mandated participant doon sa requirement and that's something that they can trade in Renewable Energy Market (REM).</p> <p>'Yung Mandated Participant, pwede po kayong lumampas. As mention earlier, may 1% kayo. Malamang nagsi-CSP na kayo for the 1% kasi may nakikita na tayo. So, by 2023, compliant kayo. Tapos ngayon dadagdag, gagawin namin 2.52%. Eh, may papasok na GEAP. Baka mapunan na rin ang 2.52. May GEOP pa, may Net-Metering pa. So, baka lumampas ka na sa requirement. Now, 'yung excess RECs mo may 3 years of life pa 'yun. So, pwede mo pa 'yun ibenta or ibigay sa ibang DUs. Nasa sainyo na po 'yun. But you can actually really exceed the requirement. Magkakaroon din tayo ng review, definitely sa policy, magkakaroon tayo ng annual review kung mag-a-adjust ba tayo ng incremental RPS requirement. Thank you.</p> <p>3. Maybe I'll give them some details. Asec. RED is correct regarding banking capability in the REM. From the issuance, the participant is given 3 more years to transact the REC. As mentioned by him, pwede n'yo siya ibenta to some entity, of course, this would be subject to the flow back mechanism that ERC may issue for regulated entities. And aside from that, pwede rin po niya itago for its future compliance. So, three years niya pwedeng itago until such time na meron siyang kulang to meet its RPS requirement.</p>
19	Eric Louis, Shell Energy	<p>A carve-out is a subset of a larger RPS requiring certain percentage of the overall requirement to be met by specific technologies or applications (Offshore wind or hybrids - batteries charged from RE sources).</p> <p>Credit multipliers, on the other hand, award more than or less than one RE certificate for electricity produced by certain technologies.</p> <p>And then all of these new mechanisms or incentives can only be applied to qualified RE technologies (those who met the installation targets)</p>	Under the existing RPS On-Grid Rules, this "carve-out" setting is not prescribed. On the other hand, it is the responsibility of a Mandated Participant to source compliance from available mechanisms: PSA; Net-Metering Facilities; RE Facilities for own-use of end-users; GEOP; and RE Market as last resort.
20	Jennylyn Bobiles	thank you for the response Sir, may we request to include specific policies related to this specially the installation of meters in their premises, for us to be able to communicate this easily with our customers	Please check DOE Department Circular No. DC2020-10-0022, "Prescribing the Policies to Enhance the Net-Metering Program for Renewable Energy Systems" and ERC Resolution No. 06, Series of 2019, "A Resolution Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy.
21	Oyie Rivera / TeaM	the committed (and indicative) power projects year-on-year were considered in the Plexos model? or was it just the existing plants (w/o retirement °radation)? Thank you	To achieve optimal supply mix, the committed and indicative power projects were not included in the simulations. Thereafter, the simulation results where compared vis-à-vis the power projects in the pipeline.

22	Ranulfo Ocampo	<p>When RCOA was introduced, some DUs experienced a drop in their power supply requirements due to migration of large customers to the Contestable Market. The quarantine restrictions introduced in 2020 up to the present year also resulted in a drastic drop in power demand. As a result, some DUs incurred stranded contract costs as they are bound under long-term PSAs. How can DUs, as mandated participants, comply with the new incremental RPS obligations if the DUs are already over-contracted, or are incurring stranded contract costs?</p>	<p>The concern is really valid. But on the flip side, when the quarantine restrictions reduced our demand. It increased in terms of percentage – the FIT allocation. Bakit? The FIT plants are must dispatch. So, andoon pa din 'yun. 'Pag bumaba ang demand natin, 'yung allocation from the FIT plants remain the same. So, in essence, 'yung RPS compliance mo tumaas because mas tumaas 'yung percentage from the FIT plants kasi must-dispatch nga s'ya, maintained 'yung kanyang generation. And as mention earlier, when we increase it to 2.52 by 2023, hindi siya i-increase lang natin without additional support. 'Yun nga po ang sinasabi natin with the GEOP, the Net-Metering Program, and then the GEAP which is I think the most substantial dito because ang sinasabi natin 'yung GEAP will actually allow you to just continue complying with the 1% as if hindi nag-increase to 2.52%. But that's only until 2025 kasi ang coverage ng ating GEAP, 'yung additional volume na i-introduce will only start from 2023 to 2025. Moving forward, meron pa din 'yang idadagdag. So, malamang 'yung increment mo hindi pa rin ganoon kalaki 'yung impact noong 2.52. So, GEAP will really help the DUs to avoid additional contacts while at the same time comply with the requirements of the adjusted Km. I think it was also mentioned earlier, again, hindi po natin sana tingnan na the only way to comply is to over contract. We can actually improve on the planning kasi 2023, 3 taon pa naman 'yan. Malamang by then meron ka nang mag-o-open up na capacities kasi nag-expire na 'yung ibang contracts, or by 2023, may additional contracts ka na from RE na pwedeng pumasok. But again, the concern is valid and we will for sure make that part of our evaluation as we finalize the policy. Hindi naman natin sinasara ang pinto natin. We look into the merits of the concern. What I'm trying to address lang ngayon is that there are other mechanisms that will go hand-in-hand with this adjustment to help the DUs comply with the incremental requirement. Thank you.</p>
23	Ian Jim Laqui	<p>Previously, the incremental percentage is pegged at 1%. What if a certain DU/EC already finished CSP for RPS compliance and already signed the PSA, can we increase the contracted capacity since there will be an increase in the incremental percentage?</p>	<p>You may review details of your PSA if there are provisions to amend the contracted capacity in consideration of the Adjusted Km. If there are no such provisions, then there is a need to conduct another CSP for the incremental percentage. On the other hand, if this will lead to non-compliance, a Mandated Participant may request from the DOE suspension of its RPS compliance under Section 25 of the RPS On-Grid Rules. If duly approved, the DOE will allow the Mandated Participant to carry-over the compliance shortfall for a period of 3 years.</p>
24	Aldrin Erwin James Nepomuceno	<p>This sudden jump in the RPS increment will mean that our ongoing CSP for compliance is no longer sufficient. It was mentioned that there will be programs are being planned. But there are no guarantees when these programs will come to fruition.</p> <p>So despite preparing for RPS, because the increment is suddenly being increased to more than double, we will be put in jail as RPS carries criminal liabilities.</p>	<p>Since your CSP is still ongoing, you may revise your TOR to reflect the Adjusted Km. However, if this will lead to non-compliance, a Mandated Participant may request from the DOE suspension of its RPS compliance under Section 25 of the RPS On-Grid Rules. If duly approved, the DOE will allow the Mandated Participant to carry-over the compliance shortfall for a period of 3 years.</p> <p>Again, if this will lead to non-compliance, a Mandated Participant may request from the DOE suspension of its RPS compliance under Section 25 of the RPS On-Grid Rules. If duly approved, the DOE will allow the Mandated Participant to carry-over the compliance shortfall for a period of 3 years.</p>

		<p>Please add a provision to exempt mandated participants if GEAP and the RE Market are not in place.</p>	<p>Actually, Sir, siguro hindi namin pwedeng ilagay 'yan as far as the DOE is concern and the RPS Composite Team, together with the National Renewable Energy Board and with the coming out of the National Renewable Energy Program, itutuloy natin ang programa na 'yan that's why we are carefully developing those policies to ensure they're implemented and we are down to the betterment of the industry stakeholders and the energy sector in general. Tulad po noong nasabi natin, kung sakali man po'ng hindi matuloy ito, there is RPS Composite Team that is mandated to review recommend the implementation of the RPS. So, ibig sabihin, pwede niyang i-suspend muna dahil bumagyo at wala tayong makuhang kontrata ng RE or walang ibang magus-support doon sa RE program that will result to higher rate. So, rest assured po na inaaral namin lahat 'yan and in fact, the Renewable Energy Management Bureau is currently completing our data to determine volumes, contracted volume and then until when, kasi we have noted kasi sabi ng karamihan sa ating Mandated Participants na mag-o-over contract sila. So, we're reviewing that and we are looking to load growth, your exposure in the market, the types of contract you are entering into. And lastly, siguro as a suggestion, you can innovate your power supply contracting. It's not the traditional supply contracting, but look into what the laws are saying, for example, the RE Law says each stakeholder should contribute to the development of the RE industry. And lumabas na policy mechanism that the DOE is mandated to come up. So, ito po, as part of your planning, tingnan nalang natin paano namin kayo matutulungan for us to jointly meet the goals of this RE Law, as well as the EPIRA. Kasi ang RE naman ay sumusunod sa policies ng power sector. Thank you.</p>
25	Manuel Luis Zagala	<p>has there been a study on the price impact to consumers of the increased RE requirement?</p>	<p>The RPSCT has yet to prepare such simulation/study.</p>
26	Davidjohn Zuñiga from Meralco	<p>What would be the RECs treatment of energy storage systems? Since there are upcoming ESS technologies (i.e. battery, fly-wheel, pump-storage, etc...) that can enhance and supplement existing RE sources, the treatment of the energy generated by these ESS will be critical for DU/ECs in their procurement plans for RPS compliance.</p> <p>Follow up on my question, depending on the treatment of energy generated by ESS (i.e. if RECs eligible regardless of charging source, or RECs eligible only if charging source is RE), ESS might give DU/ECs additional options in planning their sourcing for their RPS compliance</p>	<p>Nakapaglabas tayo ng policy on ESS way back 2018 or 2019 sa Power Bureau, and one of the contents of that policy is, the ESS can be used as a complimentary to renewable energy supply as long as it does not change the total generated energy from the facility. Ibig sabihin, kung 'yung ESS mo is charged using a solar facility, 'yung reckoning ng RECs will not come from the ESS, it will be in RE facility because the ESS are not considered as renewable energy plants. Storage lang po 'yan. So, at the end of the day, 'yung RECs pa rin natin, 'yung reckoning ng RECs, 'yung pagbabasa natin ng RECs still come from the actual RE plant. So, kung ano nababasa, nami-meter from RE plant, 'yun po 'yung per MWh na nage-generate ng plant, 'yun po 'yung nabibigyan ng 1 REC. So, kung ano lalabas sa battery, wala na po'ng RECs 'yun kase in-allocate na natin sa RE facility. The ESS po are not classified as RE resource, unless that's pump storage.</p>

27	Ranulfo Ocampo	If DUs are forced to buy additional RE supply despite being already over-contracted under long-term PSAs, and they are constrained to buy RECs from REM to comply with incremental RPS obligations, will the cost of RECs be a pass-on cost to the Captive Market? What is the position of DOE on the pass-on cost of RECs to the Captive Market?	Section 12 of the RPS On-Grid Rules states that any cost arising from a Mandated Participant's compliance should not result to any increase in electricity rates. The ERC will issue regulatory framework on this matter.
28	KAREN AJIAS	The assurance of having RE to lower the generation cost for DUs coz even the current rate caps for eligible FIT plants are higher with lowest for run-of-river of PhP5.99/kWh. Can you give the highlights how it would be beneficial as to the rate impact if reaching the target? thank you,	The RPSCT has yet to prepare such simulation/study. Please note however that based on latest Power Supply Contracts entered into by the DUs, they showed competitive rates lower than conventional power plants. Likewise, the policy on CSP ensures that the DUs will procure the least cost electricity supply for the Captive Market.
29	A.D.Autor_ZASURECO 1	our franchise will be expiring about 8 yrs from now. Can we enter into agreement with the supplier more than the franchise of the EC? Thanks	Application for PSA is filed with the ERC jointly by the power supplier and the distribution utility. In consideration of this, the contract period can only be extended up to the franchise expiration of a DU. The intention of securing PSA is to ensure that uninterrupted power supply will be delivered to customers at the least cost manner. For this matter, you may seek guidance from NEA on how similar cases were handled.
30	MERALCO MPower_Joseph Macasieb	based on DOE's projections, will the transmission grid be ready to absorb all incoming RE plants to be constructed (assuming if there are also delays on NGCP's projects)?	The CREZ is intended to ensure readiness of the grid and strategic locations of incoming RE Power Projects to avoid power congestion. Further, CNP and Visayas-Mindanao Interconnection Projects are aimed towards a stronger and reliable grid. Further, the Transmission Development Plan (TDP) of NGCP considers power projects included in the Power Development Plan (Committed and Indicative) so that the needed expansions and upgradings to accommodate these projects are factored in.
31	Ranulfo Ocampo	The implementation of RPS presupposes the existence of an operational RE Market to give the mandated participant a way to comply with its RPS obligation. Why is RPS being implemented without an operational REM? Will the coverage of the draft rules extend to Mindanao where there is still no WESM and REM?	<p>1. 'Yung masasagot ko lang po siguro 'yung sa Mindanao. So, the REM can still be operationalize even if theres no WESM because the RE Register still has access to the data coming from the region, metered quantity, bilateral contact quantities. So, the RE Register can still turnout those data to generate RE Certificates and assign them accordingly to the recipient, pursuant to the RPS Rule. As to the REM, I think the DOE's still have the final determination with respect to declaration of the REM. But right now, our efforts are focused on initiating the issuance of the RE Certificates and also checking the RPS obligation based on the data we have.</p> <p>2. Sa REM po, well, may timeline. 'Yung bakit tayo nag-i-implement ng RPS without the REM, as mentioned na po kanina, 'yung compliance kase ini-expect pa natin by 2023 pa naman. So, matagal pa talaga kakailanganin 'yung REM. Ngayon kasi, ang ginagawa lang natin is 'yung nag-a-allocate na, actually, ginagawa na ng RE Registrar. Bina-bank na nila 'yung certificates n'yo, meron na po tayong database na naga-gather na certificates per participant. So, meron na po tayo n'yan. 'Yung actual trading will happen if meron na tayong requirements. In this case, end of 2022 towards 2023 pa magkakaroon ng requirement. Doon pa lang talaga natin kakailanganin na tumatakbo ang RE Market. Pero hindi na po aabot ng 2022 'yan. I think we're just finalizing some contractual arrangement on the use of the software and then probably early next year, operational na din 'yung ating RE Market. The same goes through with WESM. But as mentioned by Clares, hindi kakailanganin 'yung WESM for REM to operate. In fact, iba nga 'yung nag-o-operate ng REM and WESM sa ngayon.</p>

32	Jenny Longjas	Clarification. The RECs bought is bound to expire in 3 years. Does this mean that if we contract our RPS requirement with an RE Generator (year 1-3), we need to look for another RE Generator (year 4-6) to contract with considering that our RECs with the existing RE Generator will be expiring in 3 years? Does this also mean that we can only contract for a maximum of 3 years with an eligible RE Plant for us to continuously comply with the RECs requirement? Thank you.	RECs will be valid for 3 years from the date of issuance. For sake of clarity, RECs issued in 26 January 2018 will be valid until 25 January 2021. RECs issued in 26 January 2019 will be valid until 25 January 2022, and so on. During the 3-year validity, RECs can be used for compliance with the annual RPS Requirements and/or be traded in the RE Market in case of surplus. The RPS Form is designed to assist Mandated Participants in their annual preparation of RPS Compliance Plan for a 10-year planning period.
33	Theresa Luzano_DASURECO	Based on simulation, we will be on shortfall by 2023 if the increment is at 2.52%. In 2019 we experienced major earthquake, then 2020 to present with this pandemic, resulting to negative growth of our demand. how do we comply to this mandate without rate increase?	Since the promulgation of the RPS On-Grid Rules in December 2017, Mandated Participants were already advised to prepare their respective RPS Compliance Plan and facilitate timely conduct of CSP (Section 12 and Section 26 of the RPS On-Grid Rules). If there is valid reason/justification, a Mandated Participant may request from the DOE suspension of its RPS compliance under Section 25 of the RPS On-Grid Rules. If duly approved, the DOE will allow the Mandated Participant to carry-over the compliance shortfall for a period of 3 years.
34	KAREN AJIAS	Follow up question po on question no 17 on suggestion of lower Adjusted Km, i think it would be ok naman to have higher Adjusted Km on the succeeding year since we can have still enough time for planning of the procurement of RE supply. Sa ngayon po kasi, on going pa ang moves if how and where to source RE/ secure RECs. There would be the possibility of buying from RE Market, of which the cost will be on-top on the actual supply generation cost. Thank you po,	For a Mandated Participant with FIT Allocation as only source of RPS Compliance Mechanism, REC Shortfall is anticipated to occur starting 2023. As explained awhile ago, since the promulgation of the RPS On-Grid Rules in December 2017, Mandated Participants were already advised to prepare their respective RPS Compliance Plan and facilitate timely conduct of CSP (Section 12 and Section 26 of the RPS On-Grid Rules).
35	Manuel Luis Zagala	is there a study of the cost to consumers of the additional network/grid infrastructure and protection systems that are needed to support and absorb the intermittency that will accompany the influx of RE?	The attendant costs to support the influx of RE are currently embedded in the TDP or DDP of the Network Service Providers. For Dedicated Facilities, the costs of the transmission or distribution facilities are borne by the Power Project Proponent, which is passed on to the off-takers.

36	Leonides MR Mempin	What are the mitigating measures of DOE to address the potential increase in power rates considering that majority of available RE's are intermittent in nature that would require an equal capacity fossil fuel plants to compensate this.	<p>The NREB simulation considered cost of Ancillary Services (AS) provision based on simulated costs of dispatching power plants. This resulted to Adjusted Km of 2.52% starting 2023 to meet the aspirational RE Share of at least 35% by 2030.</p> <p>The DOE is cognizant of the possible rate increases with the imposition of the Minimum RPS requirements. Accordingly, there are several RE Programs that will benefit the DUs such as GEAP, GEOP and Net Metering.</p>
37	Aldrin Erwin James Nepomuceno	Regarding other supporting programs to comply with RPS, GEOP and Net-Metering will make the overcontracting situation of ECs and DUs worse by reducing the power supply demand of their captive customers.	The implementation of RPS Rules, Net-Metering and GEOP should not result to over-contracting. The DUs should revisit its demand forecasting and relate them with the requirements of the RE Act and in developing their RPS Compliance Plan. Based on data gathered, the DUs have average annual load growths ranging from 2.5% to some 5%. Besides, in a normal DU business, there are always add ons consumers and disconnected consumers on regular basis.
38	Ian Jim Laqui	It suggested that the incremental percentage be gradual in order to have more time in planning of procuring renewables thru CSP, for ex: 2023 - 1%, 2024 - 1.25%, 2025 - 1.75%, so on and so forth...	Based on the simulation results, increasing the Km from 1% to 2.52% starting 2023 will result to 36.96% of RE Share by 2030, otherwise, the aspirational target will not be achieved.
39	Ernie Jose Lao, MOELCI -II	considering that there are some EC that has overcontracted supply, the proposed km wich is 2.52% will probably increase generation rate. Can the EC will allow to comply its REC after the expiration of its peaking contract? or the requirement of 2023 to 2026 will be able to comply in the year 2027 onwards.	<p>Under Section 25 of the RPS On-Grid Rules, a Mandated Participant may request from the DOE suspension of its RPS compliance if there is valid reason/justification. If duly approved, the DOE will allow the Mandated Participant to carry-over the compliance shortfall for a period of 3 years.</p> <p>On the other hand, the DOE has on-going efforts to look into the existing power supply contracts of DUs and their respective Power Supply Procurement Plans (PSP) to consider the issue.</p> <p>Further, the ERC will issue regulatory guidelines on the matter.</p>
40	RIO BALABA_SMITH BELL HYDRO	IS IT POSSIBLE TO PUBLISH THE ANNUAL RPS COMPLIANCE OF MANDATED PARTICIPANTS?	Under Section 20 of the RPS On-Grid Rules, the RPSCT shall submit a Compliance Report of Mandated Participants after the review and validation of the information from the RE Registrar to the DOE Secretary, NREB, and ERC.
41	Rom Salazar, PEMC	will the RE Suppliers be considered as Mandated Participants in the REM with the issuance of the ERC Rules on GEOP?	No, RE Suppliers are not included in the list of mandated entities to comply with RPS On-Grid Rules (Section 12). On the other hand, RE Suppliers are considered as Mandated Participants to carry-out their obligations under Section 15.2 (Annex A) of ERC Resolution No. 08, Series of 2021 or the GEOP Rules.
42	Erickson Montes_Clark Electric (received thru REMB Gmail)	For Clarifications, it was mentioned during the Q&A that Host DU will benefit RECs from the GEOP. How about for the RES who wish to participate in GEOP so that this RES can also comply with RECs requirement.	RECs will be issued only once by the RE Registrar. With this, there will be no double counting of RECs. In this case, RECs generated from the energy supplied to the End-Users under the GEOP will be issued to the host DU. Provided, that the corresponding energy shall also be added into the Net Electricity Sales of the DU for the calculation of its RPS requirement (Section 15b of DC2018-07-0019).