



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF ENERGY  
ELECTRIC POWER INDUSTRY MANAGEMENT BUREAU

**AN OVERVIEW OF**

**RCOA**

**RETAIL COMPETITION AND OPEN ACCESS**

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*Energy Investment IEC*

# OUTLINE

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- **LEGAL BASIS**
- **RESTRUCTURED POWER INDUSTRY**
- **BASIC PRINCIPLES OF RCOA**
- **RCOA TIMELINES**
- **UPDATES ON THE IMPLEMENTATION OF RCOA**



## **Republic Act No. 9136 (EPIRA) Section 31;**

- SEC. 31. Retail Competition and Open Access. - Any law to the contrary notwithstanding, retail competition and open access on distribution wires shall be implemented not later than three (3) years upon the effectivity of this Act, subject to the following conditions:
  - a) Establishment of the wholesale electricity spot market;
  - b) Approval of unbundled transmission and distribution wheeling charges; (c) Initial implementation of the cross subsidy removal scheme;
  - c) Privatization of at least seventy (70%) percent of the total capacity of generating assets of NPC in Luzon and Visayas; and
  - d) Transfer of the management and control of at least seventy percent (70%) of the total energy output of power plants under contract with NPC to the IPP Administrators.



# LEGAL BASIS

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## **Republic Act No. 9136 (EPIRA) Section 31;** **EPIRA IRR Rule 12 Section 3:**

Subject to Pre-conditions, the Contestable Market shall be allowed to choose their Supplier:

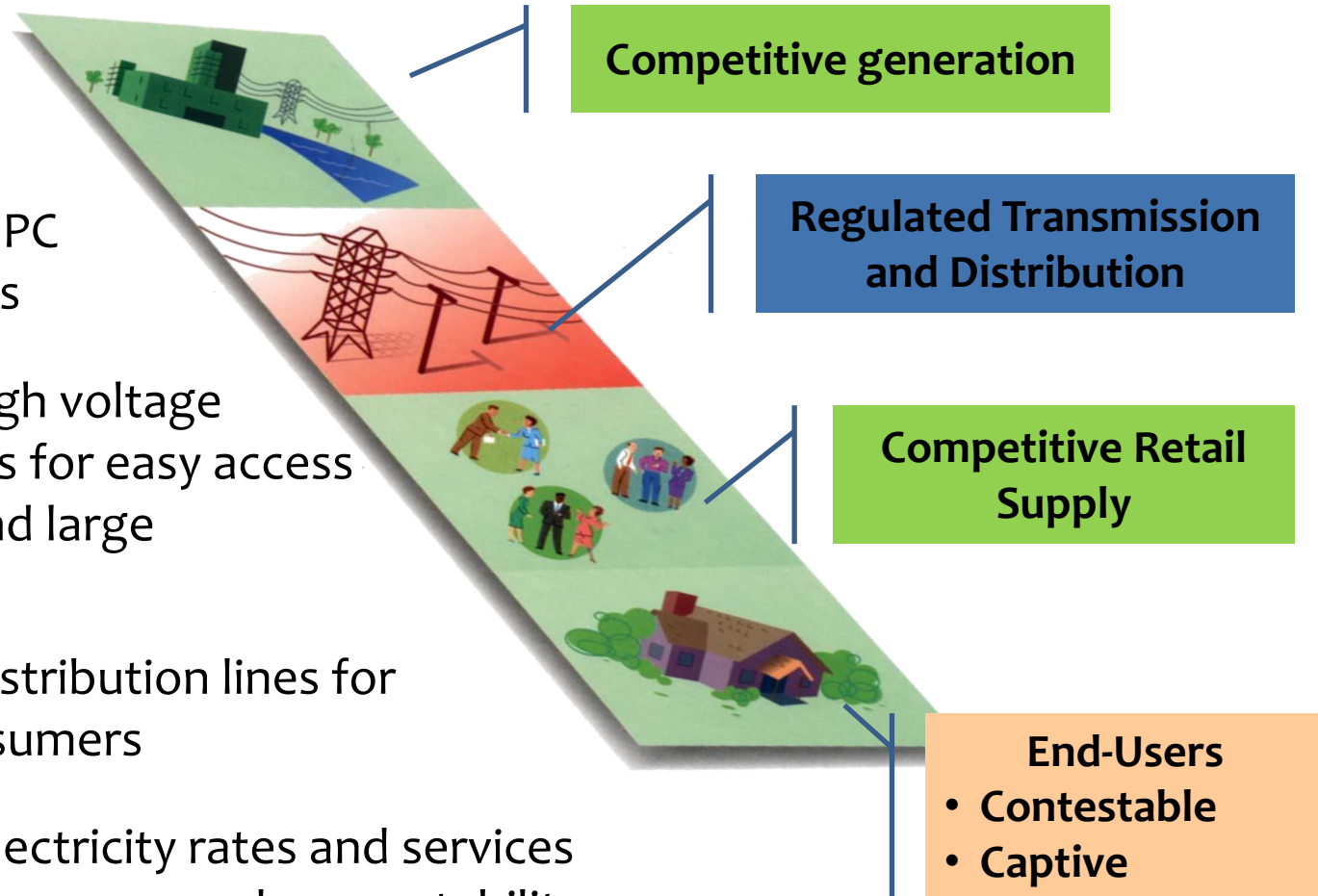
- initial implementation for all electricity end-users with a monthly average peak demand of at least one megawatt (1MW) for the preceding twelve (12) months ;
- After 2 years, the threshold level shall be reduced to 750kW;
- Aggregators shall be allowed to supply electricity to end-users whose aggregate demand within a contiguous area is at least 750kW;
- Subsequently and every year, on the basis of ERC evaluation, gradual reduction of threshold level until it reaches the household demand level will be implemented.

*Section 31 of RA9136 (EPIRA); EPIRA IRR Rule 12*

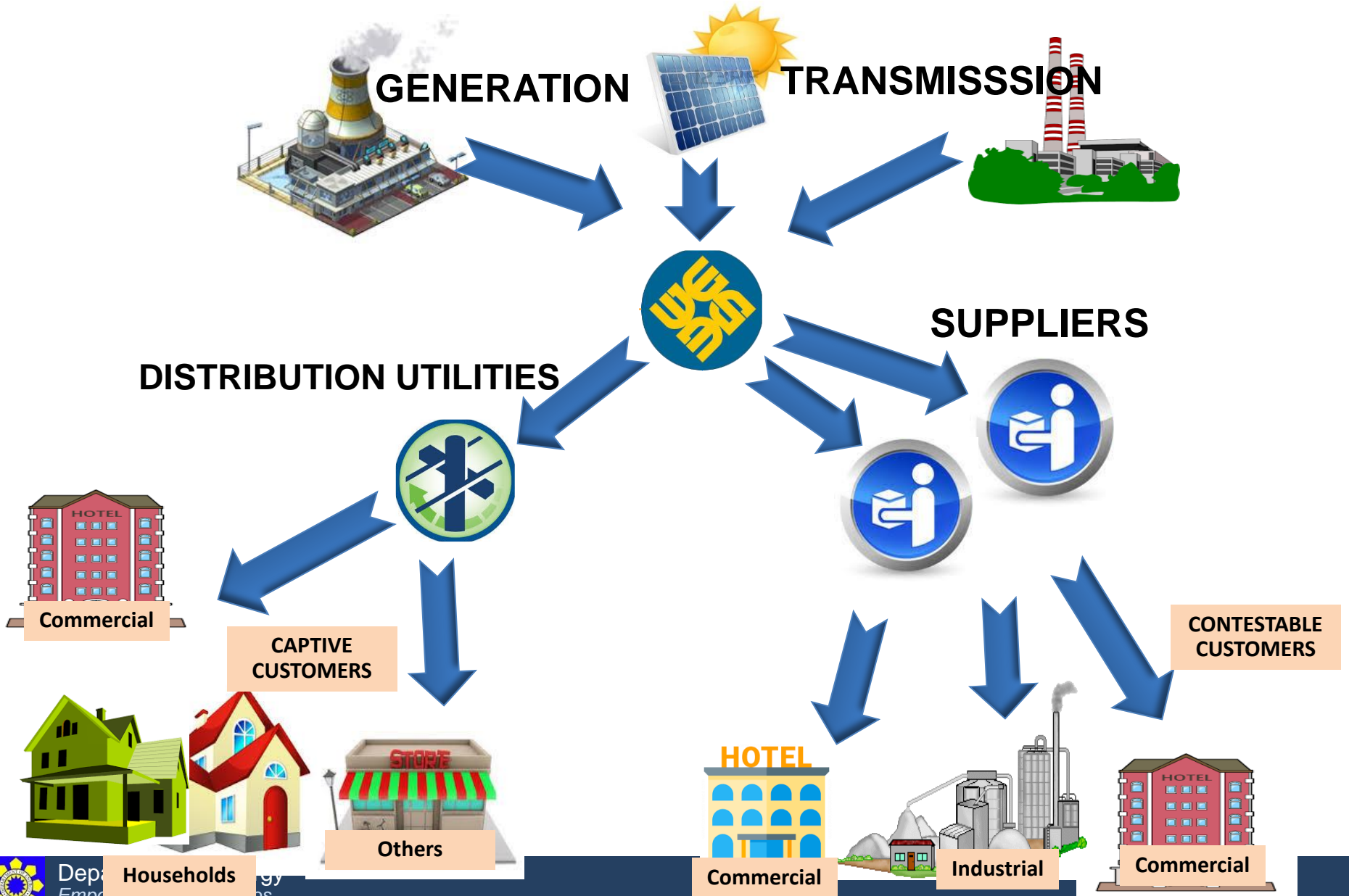


# RESTRUCTURED POWER INDUSTRY

- Establishment of WESM
- Privatization of NPC Generating Assets
- Opening up of high voltage transmission lines for easy access of distributors and large consumers
- Opening up of distribution lines for contestable consumers
- Unbundling of electricity rates and services for greater transparency and accountability



# RESTRUCTURED POWER INDUSTRY



# RESTRUCTURED POWER INDUSTRY

## Moving Towards A Competitive Power Market ...

### OPEN ACCESS AND RETAIL COMPETITION

## Privatization

- 84% of NPC GenCos
- NGCP as the TransCo Concessionaire
- 72% transferred to IPP Administrators



26 June 2013

Complied with.

### Establishment of WESM

Complied with.

- Luzon Commercial Operation on June 2006
- Integration of Visayas Grid, 26 Dec. 2010



### Removal of Cross Subsidies

Inter-Grid, Sept. 2002; Intra-Grid, Oct. 2005 and Inter-Class, Oct. 2005



Complied with.

## Unbundling

Unbundling of NPC rates (26 Mar. 2002) and Unbundling of DUs rates (June 2003).



Complied with.

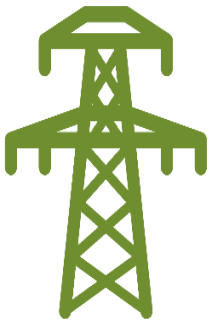
# BASIC PRINCIPLES



SUPPLY

## RETAIL COMPETITION

Refers to the provision of electricity to a *Retail Market* by *Suppliers* through *Open Access*



TRANSMISSION



DISTRIBUTION

## OPEN ACCESS

Refers to the system of allowing any qualified Person the use of transmission and/or distribution system and associated facilities subject to the payment of *retail wheeling rates* duly approved by the *Energy Regulatory Commission*



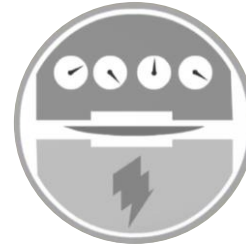


# BASIC PRINCIPLES



**RETAIL  
ELECTRICITY  
SUPPLIER**

**RES**



**RETAIL  
METERING  
SERVICE  
PROVIDER**

**RMSP**



**LOCAL RES**

**LRES**



**CONTESTABLE  
CUSTOMER**

**CC**



**SUPPLIER OF  
LAST RESORT**

**SOLR**



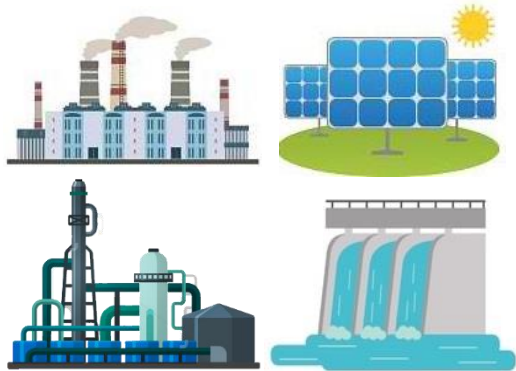
**MARKET  
OPERATOR**

**OPERATOR**



# COMPETITION

**GENERATION  
SECTOR**



**Wholesale  
Market**

**SUPPLY SECTOR**

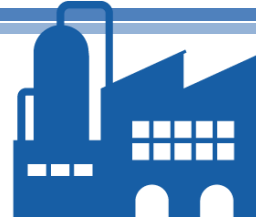


**Retail  
Market**

# STATUS OF IMPLEMENTATION



**CAPTIVE  
CUSTOMER**



**CONTESTABLE  
CUSTOMER**

**POWER OF CHOICE**



**1MW &  
Above**

**JUN 2013**



**750kW &  
Above**

**JUN 2016;  
DEC 2017**

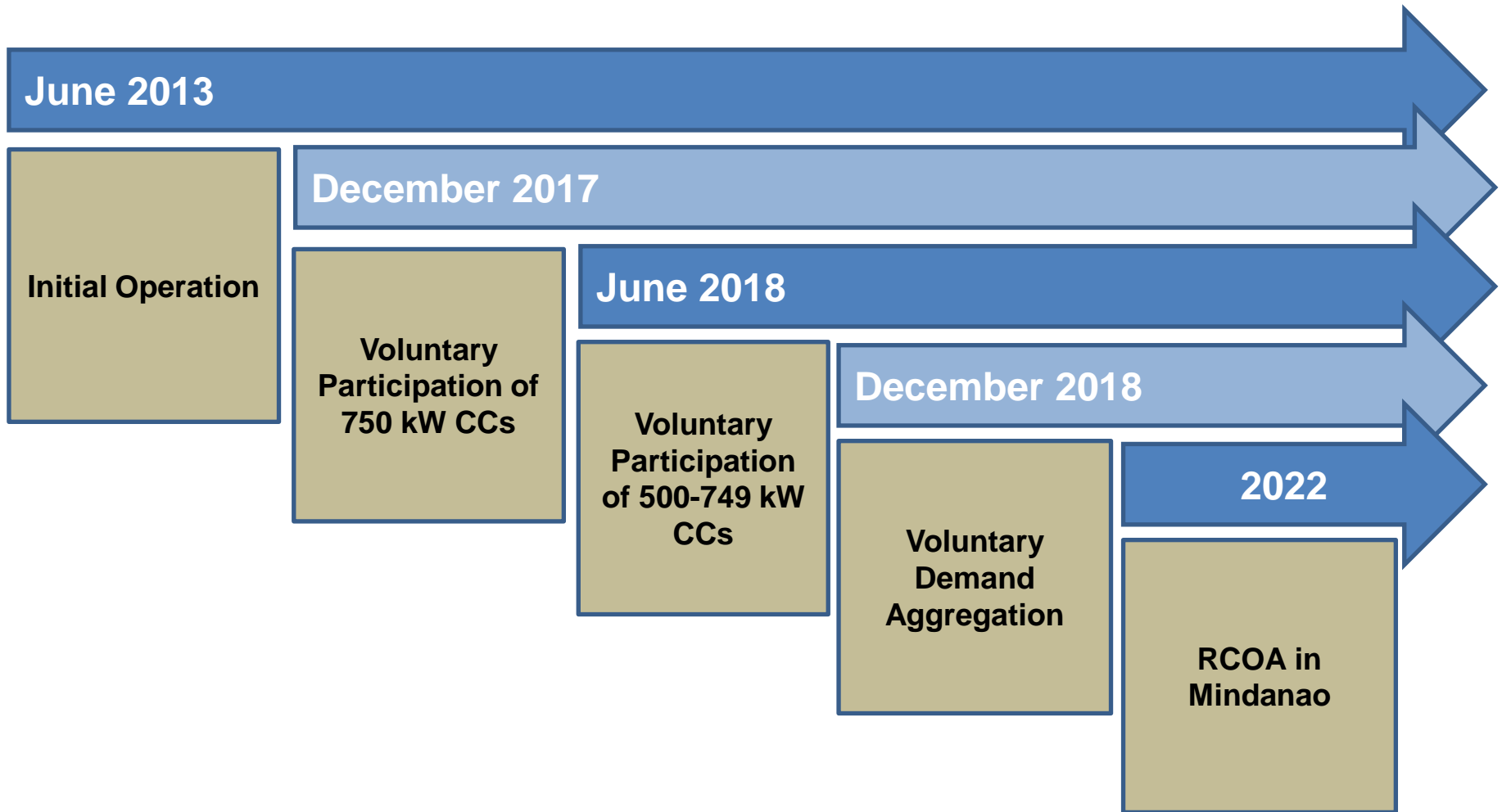


**500kW &  
Above;  
Aggregation**

**DEC 2020**



# RCOA TIMELINES



# RETAIL MARKET REGISTRATION

## Total number of registered CCs and licensed Suppliers as of June 2021

Membership Category		June 2013	June 2020	June 2021	June 2013 vs. June 2021	June 2020 vs. June 2021
Contestable Customers	D ≥ 1 MW	892	1,448	1,470	65 %	2 %
	750 kW ≥ D ≥ 1 MW	-	641	665	-	4 %
	500 kW ≥ D ≥ 750 kW	-	-	791	-	-
	<b>Total</b>	892	2,089	2,926	228 %	40 %
Suppliers	RES	19	37	45	137 %	22 %
	LRES	13	25	25	92 %	0 %
	<b>Total</b>	32	62	70	119 %	13 %
SOLR		9	47	47	422 %	0 %
RMSP		29	54	57	97 %	6 %
<b>GRAND TOTAL</b>		<b>962</b>	<b>2,252</b>	<b>3,100</b>	<b>221 %</b>	<b>38 %</b>

Source: ERC, PEMC



# RETAIL MARKET PARTICIPATION

## Registered RCOA participants participating in the market as of June 2021

Membership Category		June 2013	June 2020	June 2021	June 2013 vs. June 2021	June 2020 vs. June 2021
Contestable Customers	D ≥ 1 MW	240	1,123	1,174	389 %	5 %
	750 kw ≥ D ≥ 1 MW	-	346	400	-	16 %
	500 kW ≥ D ≥ 750 Kw	-	-	116	-	-
	<b>Total</b>	240	1,469	1,690	604 %	15 %
Suppliers	RES	15	33	38	153 %	15 %
	LRES	3	14	14	367 %	0 %
	<b>Total</b>	18	47	52	189 %	11 %
SOLR		0	25	25	-	0 %
RMSP		29	54	57	97 %	6 %
<b>GRAND TOTAL</b>		<b>287</b>	<b>1,595</b>	<b>1,824</b>	<b>536 %</b>	<b>14 %</b>

Source: IEMOP, PEMC





**Thank You!**

