

# CONTESTABLE CUSTOMERS EXPECTATIONS ON RETAIL COMPETITION & OPEN ACCESS

20 March 2013 | 1PM

Asian Institute of Management, Makati City

## OBJECTIVE OF RCOA

To ensure smooth transition from the existing structure to a competitive environment and to promote the interest of all stakeholders in the Electricity Industry.

# CONTESTABLE CUSTOMER

averaging more than 1MW per month

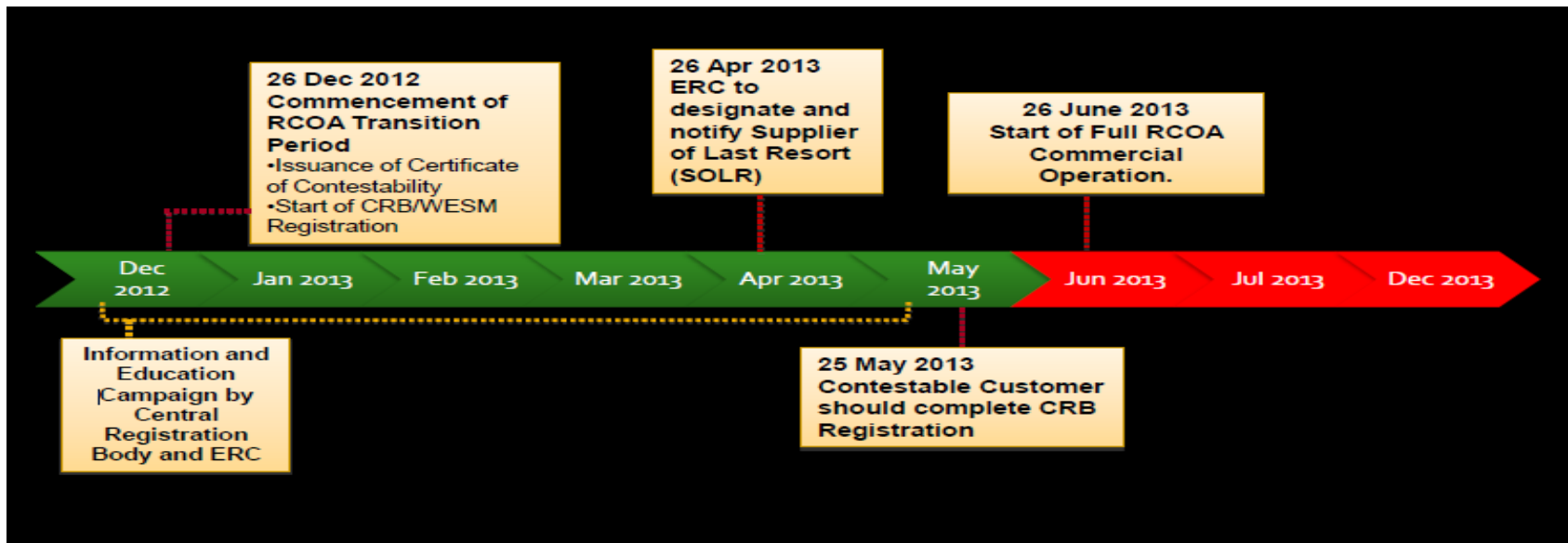
LUZON	818
VISAYAS	91

As of Oct 15, 2012

# SEMICONDUCTOR & ELECTRONICS

- operates 24/7 even on holidays
- Workload steady for the whole year peaks at 2H

# T I M E L I N E



**May 20, 2013 :**

A Contestable Customer should have entered into a Retail Supply Contract already

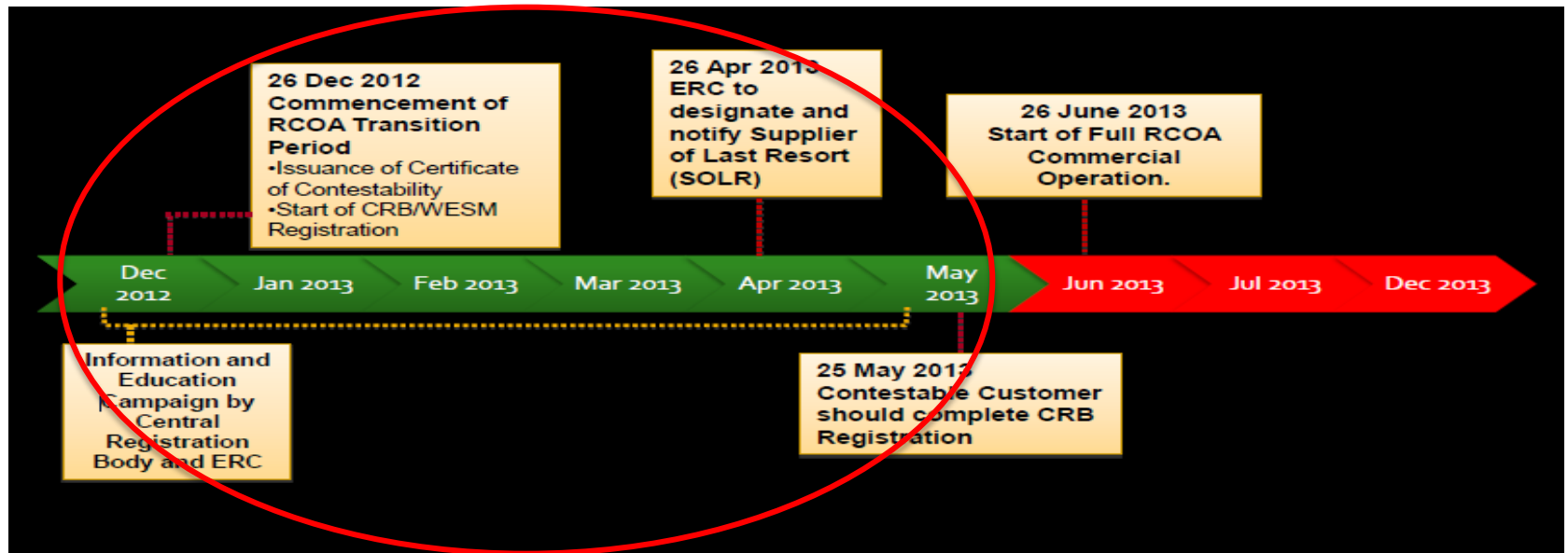
**May 27-31, 2013 :**

Inform Central Registration Body of the Retail Supply Contract

**June 3-14, 2013 :**

Submit a valid Switch Request to Central Registration Body

# CHALLENGES



Issuance of Certificate of Contestability

Face to Face Meetings / Presentations of RES (19) + Local RES (6)- only 5 active

Non Disclosure Agreement Signing

No capacity to sell to CC

Problem during RFQ stage (no reply / does not want to formalize reply in writing)

# **E X P E C T A T I O N S**

1. Source of Power : Security and Stability of Supply (coal /hydro / geo / natural gas)

2. Solid Company Financial Standing : avoiding fly by night organizations

3. Solid Contract Management Integrity : how they value power supply contracts

4. Excellent Service + Value Add Service : account & technical personnel / 24 hr Hotline / SLA / offers beyond power requirements/ longer payment terms / limited or no-cash outs/deposits / enrollment fees

#### 4. Commercial Aspect :

- Electricity rate (flat, seasonal, multiple components like capacity fee, fuel, O&M)
- Annual Rate Escalation or Rate Adjustment
- Provide Indices for the Rate Escalation or Adjustment (Coal, Fuel, Forex, CPI)
- Clarity on additional pass –on or charges & is ERC controlled or approved
- Discounts for good LF, exceeding contracted capacities & no Penalties
- Better than PEZA rate

## 5. Other Contractual Terms or Provisions

- Tenure of contract (1 year / 2 years / 5 years)
- Service Interruption Adjustments
- Maintenance allowance/provision of replacement power
- Value Added Services

## 6. Post Contract activities

Pilot run / Transition orientation prior switch / Billing format familiarity

Visibility of Future RES, Generators or Plants

Visibility of Demand vs. Supply of Electricity

Constant ERC / DOE updates to CC



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Multi-national companies with multiple sites  
Global companies

Corner huge percentage of the market

Be the first choice of customer

..... Cost competitive in every aspect of our  
operation

..... On time delivery of products

.....100% reliable at all times

**WE NEED YOU**

**THANK YOU**