



NATIONAL ELECTRIFICATION  
ADMINISTRATION  
Office of the Administrator

EDGARDO R. MASONGSONG  
Administrator

Very truly yours,

Thank you very much and warm regards.

We duly hope for the consideration of the foregoing to ensure transparency and promote competition in electric cooperatives' (ECs) Competitive Selection Process (CSP) to arrive at the most responsive and least cost price.

1. **For the number of years of PSA** – We suggest that for new power plant the contract year is 15 to 20 years while existing plant is good for 5 years only because the capital recovery for old plant is no longer applicable. As such, IPPs will be encouraged to put up new power plants, thus, sufficient power supply will be assured.
2. **On the Technology** – We suggest that it has to be technology neutral as long as the bidder is capable of meeting the requirements at the least cost. Chances are more qualified bidders will be encouraged to participate in the CSP.
3. **On the CSP bidding procedure for 6 months** – We suggest that an exemption be granted in cases of fortuitous events, force majeure and other related uncontrollable situations.

In this regard, may we respectfully submit the following additional comments on the said ERC Case No. 2018-002 RM for your consideration:

This is in reference to the proposed ERC Case No. 2018-002 RM, "ADOPTION OF THE PROPOSED RULES GOVERNING THE EXECUTION, REVIEW AND EVALUATION OF POWER SUPPLY AGREEMENTS ENTERED INTO BY DISTRIBUTION UTILITIES FOR THE SUPPLY OF ELECTRICITY TO THEIR CAPTIVE MARKET", in which the first public consultation was held on May 30, 2018 at ERC Main Office.

Greetings from the National Electrification Administration!

Dear Chairperson Devanadera:

HON. AGNES VICENTA S. TORRES-DEVANADERA  
Chairperson and CEO  
Office of the Chairperson  
Energy Regulatory Commission (ERC)  
San Miguel Avenue, Pasig City

04 June 2018



NATIONAL ELECTRIFICATION ADMINISTRATION  
"The 1st Performance Governance System-Institutionalized National Government Agency"  
57 NIA Road, Government Center, Diliman, Quezon City 1100

