



RULES GOVERNING THE PROCUREMENT, EXECUTION, AND EVALUATION OF POWER SUPPLY AGREEMENTS ENTERED INTO BY DISTRIBUTION UTILITIES FOR THE SUPPLY OF ELECTRICITY TO THEIR CAPTIVE MARKET

Document	Article / Section	Discussion of Comment/s and/or Questions for Clarification	Suggestions / Proposed Change(s)
PSA Rules	<p>Article I</p> <p>Article IV/Section 4(b)</p> <p>Article V/Section 5.1</p> <p>Article VI/Section 7</p> <p>Article VII</p>	<p>Can the Commission provide a guideline for the bidding wherein a DU will want to have a certain ownership of the generation project?</p> <p>Will a joint venture be formed before or after the winning bidder has been chosen?</p> <p>Is the aggregate demand referring to the demand with no corresponding supply, in other words the Total Demand less Available Supply or just simply the Total Demand?</p> <p>In PALECO, we have separate systems. We have the main grid, and several microgrids. Does the aggregate demand refer to the sum of all the unmet demands coming from the main grid and microgrids?</p> <p>We agree with GBP's suggestion to include additional terms based on DOE DC2018-02-0003</p>	<p>“Aggregated Demand” refers to the consolidated level in MW or volume in MWh of electric power of the DU’s hourly, daily, monthly or annual requirement <u>per grid or per distribution system in the case of microgrids.</u></p> <p>(h) ... taking into consideration <u>least-cost operation, locally available RE resources</u>, local development scenarios and plans,...</p> <p>(e) 100 percent owned by the DU with investment coming from its operation or loan</p> <p>We suggest that this Article be</p>

	<p>Article VIII/Section 13.2</p> <p>Article IX/Section 28 (a)</p> <p>Article IX/Section 30</p>	<p>May we know the basis of the 10-year limit? Making the contract short results to higher cost of electricity.</p> <p>We disagree with GBP's position on lifting the limit as it can be abused.</p> <p>May we know the basis of the 10% cap?</p> <p>In PALECO, we have several systems. Will the 10% cap be computed and be applied for the entire franchise area or just for a specific system?</p> <p><u>For example:</u> El Nido's total demand by 2024 is 10MW, we can only subject 1MW to an unsolicited proposal?</p> <p>Palawan Main Grid has a demand of 70MW by 2024, we can subject 7MW to an unsolicited proposal?</p>	<p>harmonized with the DOE DC2018-02-0003.</p> <p>We support DOE's DC in selecting and forming the TPBAC and TWG and review of TOR and bid documents by NEA and DOE</p> <p>We support DOE's position on technology neutrality. Specifying the technology is against the principle of achieving the least-cost operation which is one of the primary objectives of EPIRA Law.</p> <p>We suggest we require NEA's and DOE's approval of the TOR before launching the bidding.</p> <p>The terms of reference shall include the following, but not limited to, <u>and shall be approved by NEA and DOE before launching the bidding:</u></p> <p>Not all DUs are equipped in evaluating proposals. May we suggest that NEA and DOE help in the evaluation of unsolicited proposals?</p> <p>We would like to address future issues in the PSA we enter into and if possible, the review of the unsolicited proposal be conducted with those agencies.</p>
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Appendix A			
Appendix B			
Appendix C			
Appendix D			