



**GENERAL INFORMATION AND REQUIREMENTS FOR THE
PRE-FILING OF APPLICATIONS FOR APPROVAL OF POWER SUPPLY
AGREEMENT (PSA)**

The Pre-filing of Application for approval of Power Supply Agreement (PSA) shall be conducted prior to the actual filing by the Applicants of their PSAs. The schedule for the pre-filing is every Thursday and Friday from 8:00 AM to 3:00 PM and a Pre-filing Checklist shall be used for this purpose.

The sequence of Annexes as provided in the checklist should match with the annexes indicated in the Application. All copies of documents to be submitted should be clear and readable, and if any of the below-listed documents is alleged to be not applicable, the Applicants shall provide a written justification to support the said allegation.

All pleadings together with their supporting documents must be submitted in triplicate copies. In addition to the hard copies submitted, Applicants are already required to at least three (3) USB Flash Drives containing the electronic copies of the hard copy submitted in file formats acceptable to the Commission such as Microsoft Office, OpenOffice, etc.

Thus, the Applicants shall submit the electronic copies in the following format:

Pleadings	PDF – Signed Pleading with Verification and Certification against Forum Shopping. MS Word – Can be edited
Annexes, Exhibits and Other Evidence	PDF
Rate Computation	MS Excel which can be accessed and edited. Include links.



**CHECKLIST OF PRE-FILING REQUIREMENTS FOR APPLICATIONS
 FOR APPROVAL OF PSA**

PRE-FILING DATE/S	
APPLICANTS	

The information that will be provided in the following checklist will be considered public, except for those which are the subject of a motion for confidential treatment by the Applicants. Once the application is filed, any act of fraud or false representation in any document submitted before the Commission may be a ground for an outright dismissal of the Application without prejudice to all other administrative, civil, or criminal actions that may be filed against the Applicants, its officers, employees, and authorized representatives responsible for such fraud or misrepresentation.

Compliance with the pre-filing requirements is **MANDATORY**. Acceptance of the Application by the Commission, will not act to prevent the same from determining whether or not the Applicants have completely complied with all the procedural and substantial requirements of the Commission, or ascertaining the veracity of the documents submitted herein are true and correct.

(Signature over Printed Name)
**Duly authorized
 Representative of the
 Applicants**

(Signature over Printed Name)
ERC Technical Staff

(Signature over Printed Name)
ERC Legal Staff



PART I - Legal Requirements

	Required Document	Hard Copy ¹ (Y/N)	Soft Copy ² (Y/N)	Remarks
1.	Application Original copy <input type="checkbox"/> Signed by the authorized representatives of the Applicants <input type="checkbox"/>			
2.	Verification (Annex A) - Notarized <input type="checkbox"/> - Signed by the authorized representatives of the Applicants <input type="checkbox"/>			
3.	Certificate Against Forum Shopping (Annex B) - Notarized <input type="checkbox"/> - Signed by the authorized representatives of the Applicants <input type="checkbox"/>			
4.	Board Resolution/ Secretary Certificate containing the following: (Annex C) - Authorization in the filing of the Application <input type="checkbox"/> - Name of the person authorized to pre-file, file and/or submit the Application and all its supporting documents <input type="checkbox"/> - Name of the counsel or law firm engaged to represent the Applicants for the instant Application <input type="checkbox"/> - Name of person authorized to execute Verification, and Certification Against Forum Shopping			
5.	Service to LGUs (Annex D) - Certification issued by Local Legislative Body (LLB) of the locality where the DU principally operates proving that the said government body duly received the complete copy of the Application, including its Annexes.			

¹ Indicate number of copies filed

² *id*



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Required Document	Hard Copy ¹ (Y/N)	Soft Copy ² (Y/N)	Remarks
<ul style="list-style-type: none"> - Affidavit of Service of the person who served the copy of the Application and its Annexes to the LLB, stating therein the date and time of service and if applicable the reason why the certification was not issued by the LLB. Name of the Affiant _____ Date of Service _____ Time of Service _____ 			
<p>6. Publication Requirement (Annex E)</p> <ul style="list-style-type: none"> - Newspaper _____ Volume No. _____ Issue No. _____ - Date of Publication _____ - Items included in the publication <ul style="list-style-type: none"> Entire Application <input type="checkbox"/> Verification <input type="checkbox"/> Certification Against Forum Shopping <input type="checkbox"/> - Affidavit of Publication Name of the Affiant _____ - Random Review of the Published Application 			
<p>7. Competitive Selection Process (Annex F)</p> <p>Type of CSP</p> <ul style="list-style-type: none"> <input type="checkbox"/> Competitive Public Bidding (CPB) <ul style="list-style-type: none"> - Terms of Reference (TOR) <input type="checkbox"/> - Date of the Publication of the Invitation to Pre-qualify and to Bid (IPQB), and TOR <input type="checkbox"/> - Copy Newspapers Issues³ where the TOR was published <input type="checkbox"/> - Abstract of Bids - DU BAC Evaluation Report - DU Board Resolution / Secretary's Certificate confirming the approval of the BAC Evaluation Report 			

³ Indicate the dates of publication, volume and issue number of the newspaper



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Required Document	Hard Copy ¹ (Y/N)	Soft Copy ² (Y/N)	Remarks
<ul style="list-style-type: none"> - Notice of Award issued by the DU - Notice to Proceed issued by the DU <input type="checkbox"/> Direct Negotiation <ul style="list-style-type: none"> - Terms of Reference (TOR) <input type="checkbox"/> - Date of the First Publication of the ITB and TOR _____ - Reason for the Failure of the First CPB _____ - Date of the Second Publication of the ITB and TOR _____ - Reason for the Failure of the Second CPB _____ <input type="checkbox"/> Emergency Procurement <ul style="list-style-type: none"> - Nature of Emergency _____ - Proof of Notice to ERC of the occurrence of the Emergency⁴ - Certification under Oath that the Application is filed within the 90 days from the implementation of the Emergency PSA. Duration of the Entire CSP Process _____ 			
<p>8. Power Supply Agreement (Annex G)</p> <ul style="list-style-type: none"> - Complete copy, including annexes <input type="checkbox"/> - Signed by duly authorized representatives of the Applicants <input type="checkbox"/> - Board Resolution / Secretary's Certificate authorizing the Applicants' representatives to sign the PSA <input type="checkbox"/> 			
<p>9. Sworn Statement by the Directors that the GenCo has all registrations, licenses, permits, approvals and the like necessary to meet their obligations under the PSA as well as attesting to the accuracy of all information in the Application. (Annex H)</p>			

⁴ As per Section 30 of the Rules



PART II: TECHNICAL REQUIREMENT

A. Salient Provisions of the PSA

Classification of Supplier⁵:	
Technology (if applicable):	
Installed Capacity <small>Error! Bookmark not defined.</small> (MW):	
Parasitic Load/Plant Own Use (MW):	
Net Dependable Capacity (MW):	
Plant Capacity Factor:	
Commercial Operation Date:	
Term of the Contract⁶:	
Date of Commencement of Supply:	
Contracted Capacity/Energy (MW/kWh):	
Take and Pay or Take or Pay Arrangement (as applicable):	
Minimum Energy Off-Take (MEOT) (Is it reckoned Monthly or Yearly?)	
Mode of CSP:	
Load Percentage (Contracted Capacity/ DU Peak Load)	
Generation Rate:	
Levelized Rate (for the duration of the contract in PhP/kWh):	
Unbundled Rate (if applicable)	CRF: O&M: Fuel Cost:

⁵ Examples: IPPA, IPP, Wholesale Aggregator, Interim Supplier, etc.

⁶ Examples: Interim, Short-term, Long-term, Years, Months or Days, etc.



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

B. List of Existing PSAs of the Applicant DU with following format: (Annex I)

	Supplier's Name	ERC Case No.	Contracted Capacity	Contract Term (indicate expiry date)
1.				
2.				
3.				
4.				
5.				
	TOTAL CONTRACTED CAPACITY:			

C. List of Existing Supply Agreements of the Applicant GenCo with following format: (Annex J)

	DU's Name	Nature of the Contract ⁷	ERC Case No.	Contracted Capacity
1.				
2.				
3.				
4.				
5.				
	TOTAL CONTRACTED CAPACITY:			

⁷ PSA with DUs, Ancillary Service Procurement Agreement (ASPA) with National Grid Corporation of the Philippines (NGCP), Retail Supply Contract (RSC) with Contestable Customer, etc.



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

D. Supply and Demand Scenario

Annex	Required Document	Hard Copy ⁸ (Y/N)	Soft Copy ⁹ (Y/N)	Remarks
<i>Annex K</i>	Certification by PSALM/NPC whether Transition Supply Contract (TSC) capacity and energy is expected to be available during the contractual period. Include relevant supporting documentation, data and analysis supporting each statement. <i>Applicable for DUs that still source supply from NPC/PSALM</i>			
<i>Annex L</i>	Justification for the PSA including analysis that demonstrates:			
<i>Annex L-1</i>	How does this PSA contribute to overall least cost purchase for captive customers?			
<i>Annex L-2</i>	What alternatives were considered and their corresponding rate impact? (Conventional vs RE, PSA vs DSM, existing bilateral contract, WESM)			
<i>Annex L-3</i>	Details regarding the load forecast projections in accordance with the latest Distribution Development Plan of the Distribution Utility and the variability of those projections over the proposed contractual period <i>Note: Any inconsistency should be supported by relevant analysis</i>			
<i>Annex L-4</i>	An estimation of the potential reduction in the load supplied by the Distribution Utility due to retail competition			
<i>Annex M</i> <i>Annex M-1</i>	Historical three (3) years and Projected Supply-Demand scenario for the contract period [at least five (5) years projection]			
<i>Annex M-2</i>	Average daily load curve, supply and demand scenario of the DU in accordance with Commission Templates under Annex			

⁸ Indicate number of copies filed

⁹ id



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Annex	Required Document	Hard Copy ⁸ (Y/N)	Soft Copy ⁹ (Y/N)	Remarks
	<u>"M"</u> of Pre-filing Checklist Requirement			
<i>Annex M-3</i>	Other documents supporting the forecasted demand – Certification from National Electrification Administration (NEA), Local Government Units (LGU) and/or Local Business			



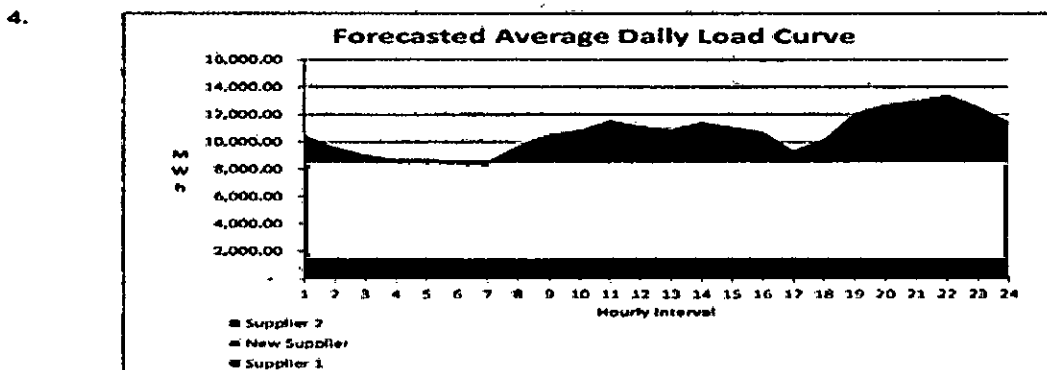
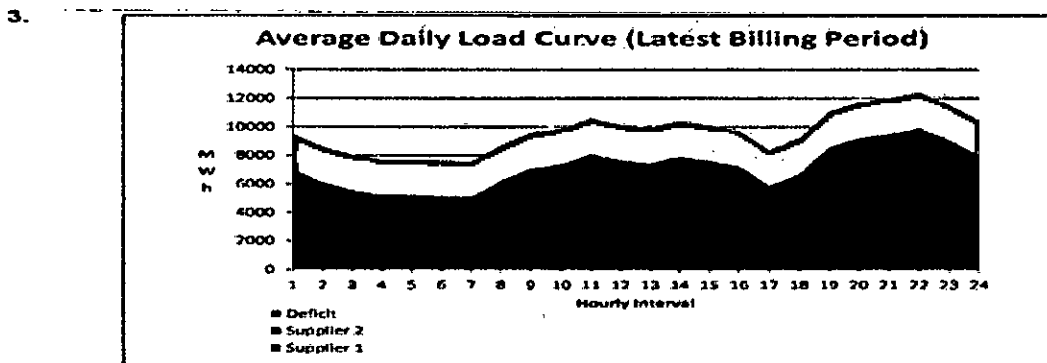
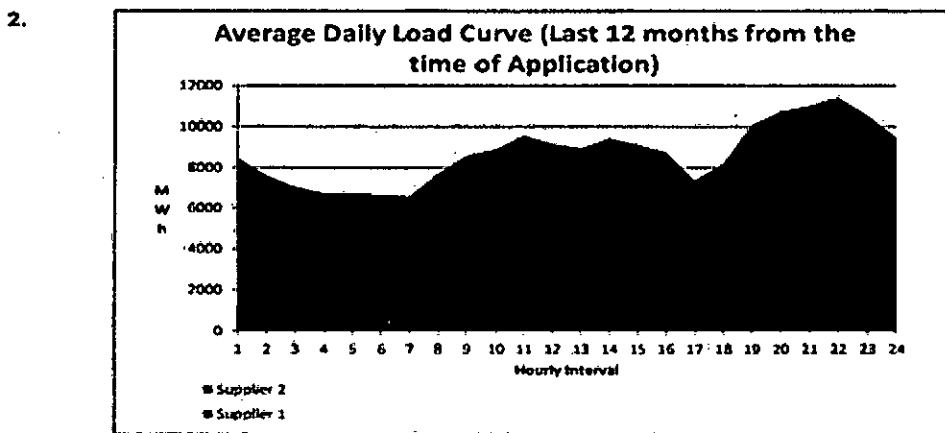
SAMPLE SUPPLY-DEMAND SCENARIO

Supply-Demand Scenario (Yearly)

	Historical		Forecasted					
	2013	2014	2015 (Current Year)	2016	2017	2018	2019	2020
Peak Demand (MW)								
Supplier/s:								
Supplier 1								
Supplier 2								
Supplier 3								
Total Supply (MW)								
Deficit/Surplus								

* Please attach the supply-demand scenario per month.

Average Daily load curve





E. Other Relevant Agreements

Annex	Required Document	Hard Copy ¹⁰ (Y/N)	Soft Copy ¹¹ (Y/N)	Remarks
<i>Annex N</i>	<i>Applicable for greenfield projects and physical contracts only</i>			
	<i>Details regarding:</i>			
Annex N-1	Transmission projects or grid connection projects necessary to complement the proposed generation capacity;			
Annex N-2	Identification of the parties that will develop and/or own such facilities;			
Annex N-3	Any cost related to such project; and			
Annex N-4	Specification of the parties responsible for recovery of any costs related to such projects.			
Annex N-5	Transmission Service Agreement, TSA between DU and GenCo TSA between NGCP and GenCo			
Annex N-6	Application for dedicated Point to Point Limited Transmission Facility (ERC Case No. _____ - _____);			
Annex N-7	ERC Decision of the point to point application.			
<i>Annex O</i>	Copy of Related Agreements, i.e.:			
Annex O1	Transmission Wheeling Contract;			
Annex O2	IPPA Agreement;			
Annex O3	EPC Contract;			
Annex O4	O&M Contract;			
Annex O5	Wholesale Aggregator Agreement; and			
Annex O6	Others			

¹⁰ Indicate number of copies filed

¹¹ *id*



F. Generation / Power Rate

Annex	Required Document	Hard Copy ¹² (Y/N)	Soft Copy ¹³ (Y/N)	Remarks
Annex P	Details of the PSA/ECA Rate			
Annex P1	<p>Executive Summary</p> <p>a. Proposed Generation Rates – CRF, Fixed O&M, Variable O&M and Fuel Fee (as applicable based on the technology of the plant)</p> <p>b. Capital Recovery Fee (CRF)</p> <ul style="list-style-type: none"> - Project Cost - Pre-tax Weighted Average Cost of Capital (WACC) and Post-tax WACC <ul style="list-style-type: none"> o Sources of Funds - Life of the Asset - Proposed Terminal Value of the Plant - Billing Determinant <p>c. Fixed Operations and Maintenance (O&M) Costs/Rate</p> <p>d. Variable O&M Cost/Rate</p> <p>e. Plant Heat Rate</p> <p>f. Fuel Efficiency Rate</p> <p>g. Fuel Pass through or Fuel Consumption Rate (in Kg/kW for Coal or l/kWh for Diesel)</p>			
Annex P2	<p>Generation Rate and Derivation</p> <p>1) Financial model containing the derivation of rates (excel file to be required)</p> <p>2) Breakdown of calculation based on the Components/Breakdown of the base prices:</p> <ul style="list-style-type: none"> • Capital Recovery Fee Details <ul style="list-style-type: none"> - Project Cost - WACC (Gearing Rates, Risk Free Rates, Interest Rate of Loan, 			

¹² Indicate number of copies filed

¹³ *id*



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Annex	Required Document	Hard Copy ¹² (Y/N)	Soft Copy ¹³ (Y/N)	Remarks
	<p>Equity Beta, Market Risk Premium)</p> <ul style="list-style-type: none"> - Life of the Asset - Terminal Value of the Plant - Computation of the Billing Determinant <ul style="list-style-type: none"> • Fixed O & M; • O&M Fixed Costs • Variable O&M; • Variable O&M Cost; and • Fuel Fee <p>3) Breakdown of:</p> <ul style="list-style-type: none"> • Project Cost (EPC Contract, Details of Costs, etc.) • Operations and Maintenance (O&M) Cost (Fixed and Variable Costs) <p>4) Fuel Cost (as applicable)</p> <ul style="list-style-type: none"> • Fuel Heat Rate • Fuel Efficiency Rate • Fuel Consumption Rate • Projection of fuel cost and computation of the levelized fuel cost over the lifetime of the contract, including all assumption made. <p>Include definition/description and basis/justification in support of each component</p> <p>5) Sample Computation of the Proposed Power Rates with the supporting documents based on the assumptions/actual information used.</p> <p>6) Rate impact simulation on the overall rates of the applicant-utility once the contract is approved including an explanation on assumptions and input parameters used in the derivation thereof.</p> <p>7) Basis/rationale of indexation including the sources, reference date and weight of indexation, if applicable.</p>			



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Annex	Required Document	Hard Copy ¹² (Y/N)	Soft Copy ¹³ (Y/N)	Remarks
	8) Basis/rationale/derivation of Other Charges such as: <ul style="list-style-type: none"> • testing and commissioning; • replacement; • start-up; • pre- commercial; • other pass-on charges; and • ancillary costs 			
Annex Q	Cash Flow specifying the following: <ul style="list-style-type: none"> • Initial Cost; • Breakdown of Operating and Maintenance expenses 			
Annex R	All details on the procurement process of fuel including: <ul style="list-style-type: none"> • requests, • proposals received, • tender offers, • etc. 			
Annex S	Fuel Supply Agreement			
Annex T	Sworn Statement detailing how the fuel was competitively procured, contract terms, unbundled price components (product cost, transshipment, delivery container, etc.)			
Annex U	All relevant technical and economic characteristics of the generation plant capacity: <ul style="list-style-type: none"> • Type of Technology • Installed Capacity • Dependable Capacity • Capacity Factor • Mode of Operation (Base load, Peaking, Intermediate-Peaking) • Auxiliary load • Scheduled and Unscheduled Outages • Basis/Justification of day used. 			
Annex V	All cost analysis related to the generation in support of the proposed pricing provisions of the contract.			



Republic of the Philippines
**ENERGY
 REGULATORY
 COMMISSION**

Annex	Required Document	Hard Copy ¹² (Y/N)	Soft Copy ¹³ (Y/N)	Remarks
Annex W	<p>Other documentation that may be needed by the ERC in the course of the evaluation, such as, but not limited to the following:</p> <ul style="list-style-type: none"> a. Latest and Complete Set of Audited Financial Statements of the Generation Company (Balance Sheet, Income Statement, and Statement of Cash Flows), duly filed with the Bureau of Internal Revenue (BIR) including the audit opinion, the statement of management's responsibility on the financial statements, if available; b. Bank Certification of Long-term Loans, to include the following information: Amortization Schedule of Loan Payments (Principal and Interest), interest rates and credit terms (period and applicable penalties); c. Certification (from the engine manufacturer or IPP) of the net heat rate (initial and every after major maintenance schedule) in liters per kWh; d. Simulation of the number of operating units necessary to meet the MEOT and/or additional energy/demand requirements of the DU; e. Potential Cost (absolute amount and PhP/kWh) of Ancillary Services as and when the IPP or the DU is connected to the main grid; and f. Other documents showing proof of its entitlement to any tax incentives and exemptions. 			
Annex X	<p>Project Timelines:</p> <ol style="list-style-type: none"> 1. BOI Registration 2. DOE Certification 3. RE Service Contract/Certificate of Commerciality 4. Long Stop Date/Lock-In-Period 			



Republic of the Philippines
**ENERGY
REGULATORY
COMMISSION**

Annex	Required Document	Hard Copy ¹² (Y/N)	Soft Copy ¹³ (Y/N)	Remarks
	5. EPC Contract Signing 6. Notice to Proceed 7. Testing and Commissioning 8. Target of Commercial Operation <i>Applicable for greenfield projects only</i>			



Republic of the Philippines
**ENERGY
REGULATORY
COMMISSION**

MINUTES OF THE MEETING

