

DISTRIBUTION CODE



DISTRIBUTION  
MANAGEMENT  
COMMITTEE

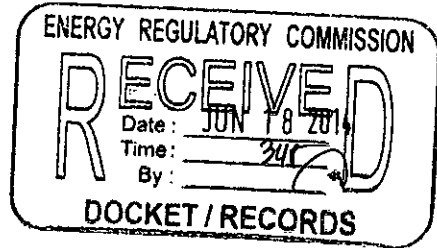
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DMC-2014-225

June 18, 2014

**ATTY. FLORESINDA B. DIGAL**  
Director  
Regulatory Operations Service  
Energy Regulatory Commission  
Pasig City




**Subject: Comments on the Study of PIPPA and Its Proposed Amendments to ERC Resolution**

Dear Director Digal:

Enclosed please find our comments on the study of PIPPA and its proposed amendments to ERC Resolution No. 16, Series of 2011 or the *"Resolution Adopting Amended Rules on the Definition and Boundaries of Connection Assets for Customers of Transmission Provider"*.

For your consideration.

Respectfully yours,

  
**Tomas B. Vivero**  
Executive Director

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**Comments on the Study of PIPPA and Its Proposed Amendments to ERC  
Resolution No. 16, Series of 2011 or the "Resolution Adopting Amended Rules  
on the Definition and Boundaries of Connection Assets for Customers of  
Transmission Provider"**

Diagram	DMC Comments
<p>A. Distribution Utility (DU) has only one path of power.</p> <p>Grid</p> <p>230/13.8 kV</p> <p>13.8/69 kV</p> <p>Load Customer (DU)</p> <p>Legend:</p> <p>— Connection Asset</p> <p>- - - Conflict Ownership</p> <p>⊙ Generator</p>	<p>A.1. For Diagram A, what if the generator supplying power to the DU trips? Where would the DU get its power?</p> <p>A.2. If the DUs will not be allowed to get power from the grid as proposed by PIPPA, the generator must provide reverse power relay to prevent from drawing power from the grid by automatically disconnecting them. Customers of such DUs when interruption occurs will have no choice but to depend only on the available capacity of the generator that tripped. With this scheme, does the DU think that it is acceptable to the customers?</p> <p>A.3. If for example, the generator has 50 MW capacity and the DU has a total demand of 40 MW, the excess 10 MW of the generator will be supplied to the grid while the 40 MW will be supplied to the DU. What if the generator can only provide 10 MW? Should the DU implement manual load dropping of 30 MW to be able to balance the supply and demand?</p> <p>A.4. As a Contestable Customer, what if the customer is no longer satisfied with the generator being a lone supplier of the DU? The opportunity to get other supplier would no longer be applicable because of the proposed scheme.</p> <p>A.5. During system blackout, the generator will not be able to restore the DU without getting power from the grid especially if such generator has a minimum stable load greater than the load of the DU.</p>

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Diagram	DMC Comments
<p>B. DU has multiple path of power.</p> <p>Legend:</p> <ul style="list-style-type: none"> <li>— Connection Asset</li> <li>- - - Conflict Ownership</li> <li>⊙ G Generator</li> </ul>	<p>B.1. Will the DU get its power from the grid through other path if the generator is not available? If yes, will the DU only pay its PDS if the power comes from the grid?</p> <p>B.2. Why not just open the breaker of the generator connected to the grid and let the generator supply power to its DU so that it will become embedded generator instead of hybrid connection?</p>