

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

RESOLUTION NO. ____, SERIES OF 2021

**A RESOLUTION ADOPTING THE FEED-IN TARIFF (FIT)
RATE FOR THE EXTENSION PERIOD (3RD ROUND) OF
RUN-OF-RIVER (ROR) HYDROPOWER UNTIL THE FULL
SUBSCRIPTION OF THE INSTALLATION TARGET**

WHEREAS, Section 7 of Republic Act No. 9513, entitled “An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes”, otherwise known as the RE Act of 2008, and Section 5 of its Implementing Rules and Regulations (IRR), mandate the Energy Regulatory Commission (ERC), in consultation with the National Renewable Energy Board (NREB), to formulate and promulgate the Feed-in Tariff (FIT) System Rules;

WHEREAS, pursuant to its mandate, the Commission, on 12 July 2010, promulgated Resolution No. 16, Series of 2010, adopting the Feed-in Tariff Rules (FIT Rules), as amended by Resolution No. 15, Series of 2012, promulgated on 19 November 2012;

WHEREAS, on 27 July 2012, the Commission approved Resolution No. 10, Series of 2012, entitled “A Resolution Approving the Feed-in Tariff (FIT) Rates”, with the following details:

	ERC- APPROVED RATES (PhP/kWh)	ERC-APPROVED DEGRESSION RATES	INSTALLATION TARGET (MW)
RUN-OF- RIVER (ROR) HYDRO	5.90	0.5% after year 2 from effectivity of FIT	250
BIOMASS	6.63	0.5% after year 2 from effectivity	250
WIND	8.53	0.5% after year 2 from effectivity	200
SOLAR	9.68	6 % after year 1 from effectivity	50

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WHEREAS, on 24 January 2012, the Commission issued Resolution No. 01, Series of 2017, entitled “A Resolution Setting the Degressed FIT Rates for Run-of-River Hydropower and Biomass, as provided in Section 2.11 of the FIT Rules, with the following details:

Technology	Degressed FIT Rates (PhP/kWh)
ROR HYDRO	5.8705
BIOMASS	6.5969

WHEREAS, Section 7 of the FIT Rules sets the monitoring and review of the development of RE generation and the impact of FIT rates within three (3) years, and every two (2) years thereafter;

WHEREAS, the initial (1st Round) FIT rates (FIT1), which became effective on 01 January 2015, was applicable only up to 31 December 2017 with degressed rates for Calendar Year (CY) 2017;

WHEREAS, the Department of Energy (DOE), in a letter dated 23 February 2018, informed the Commission of the status of COE-FIT availments as of December 2017, the details of which were as follows:

FIT Status as at 31 December 2017			
Type of RE Resource	Installation Target (MW)	Capacity with COE-FIT (MW)	Balance for Issuance of COE-FIT (MW)
Run-of-River Hydro	250	34.6 (5 projects)	215.40

WHEREAS, the DOE, in its Letter of even date, informed the Commission of its decision to extend the FIT (2nd Round) for ROR Hydro for another two (2) years, or until 31 December 2019, or upon successful commissioning of the ROR Hydro projects covering the remaining balance of the installation target, whichever comes first;

WHEREAS, on 25 May 2021, the Commission issued Resolution No. 6, Series of 2021, setting the ROR Hydro FIT2 rate at Php5.8705/kWh, which is equivalent to the degressed rate, for the period 01 January 2018 to 31 December 2019;

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WHEREAS, the DOE, in its letter¹ to the NREB, dated 15 November 2019, and in its Advisory to Hydropower Developers and energy stakeholders, dated 23 December 2020, informed that it extended for a third round, the period for the subscription of the balance of the installation target for ROR Hydro until the 250MW installation target is fully subscribed;

WHEREAS, as of 30 June 2021, the status of FIT subscription for ROR Hydro, based on the DOE-issued Certificates of Endorsement for FIT eligibility (COE-FIT), shows a balance of 102.423MW out of the 250MW installation target, the details of which are as follows:

RESOURCE	INSTALLATION TARGET	ERC APPROVED FIT RATES		WITH CERTIFICATE OF ENDORSEMENT TO ERC		INSTALLATION TARGET BALANCE
	Capacity (MW)	Year	(PhP/kWh)	No. of Projects	Capacity (MW)	Capacity (MW)
ROR Hydro	250	2014 - 2016	5.90	5	35.876	102.423
		2017	5.8705	1	8.500	
		2018 - 2019		8	102.901	
		2020	-	1	0.300	
					15	

WHEREAS, the Commission initiated a review, *motu proprio*, of the Feed-In Tariff for ROR Hydro, as provided in Section 7 (b) of the FIT Rules, given that the installation target has not been fully subscribed within the target period;

WHEREAS, the Commission acknowledges that the Feed-In Tariff is a policy mechanism to accelerate investments and the growth of renewable energy as a key strategy toward achieving energy security and self-reliance;

WHEREAS, in view of the third round extension granted by the DOE for the subscription of the balance of the installation target for ROR Hydro until the 250MW installation target is fully subscribed, the Commission deems it appropriate to likewise extend the ROR Hydro FIT₂ rate at Php5.8705/kWh for the third round extension granted by the DOE;

¹ Endorsement-Extension of deadline for commissioning of ROR Hydro-FIT eligible plants and increase in installation Target for Biomass-FIT eligible plants.

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WHEREAS, Section 2.11 of the FIT Rules provides that the FITs to be established by the ERC shall be subject to a degression rate to encourage RE producers to invest at the initial stage and hasten deployment of RE;

WHEREAS, in ERC Case No. 2011-006 RM, the FIT Rates per renewable energy technology and degression rates were determined as follows:

	ERC-APPROVED FIT RATE (Php/kWh)	ERC-APPROVED DEGRESSION RATE
WIND	8.53	0.5% after year 2 from effectivity of FIT
BIOMASS	6.63	0.5% after year 2 from effectivity of FIT
SOLAR	9.68	6.0% after year 1 from effectivity of FIT
HYDRO	5.90	0.5% after year 2 from effectivity of FIT

WHEREAS, considering that Section 9.1 of the FIT Rules provides that, where good cause appears, the ERC may allow an exemption from any provision of these Rules, if such is found to be in the public interest and is not contrary to law or any other related rules and regulations;

WHEREAS, after careful consideration of the evidence presented, and guided by the policy objectives in the RE Act of 2008, the Commission deems it appropriate to maintain the current ROR Hydro rate, without applying degression, until its full subscription;

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NOW THEREFORE, the Commission hereby **RESOLVES**, as it is hereby **RESOLVED**, to **APPROVE** and **ADOPT**, the **RUN-OF-RIVER (ROR) HYDRO FEED-IN TARIFF for Round 3 (FIT3)** of **Php5.8705/kWh** from **01 January 2020** until the full subscription of the installation target of **250MW**.

Let copies of this Resolution be furnished the University of the Philippines Law Center – Office of the National Administrative Register (UPLC-ONAR) and all the parties concerned.

SO ORDERED.

Pasig City, _____.

AGNES VST DEVANADERA
Chairperson and CEO

ALEXIS M. LUMBATAN
Commissioner

CATHERINE P. MACEDA
Commissioner

FLORESINDA G. BALDO-DIGAL
Commissioner

MARKO ROMEO L. FUENTES
Commissioner


MOS-RED: JGC/SOM