

REGULATING TOWARDS A BRIGHTER FUTURE

Commissioner RAUF A. TAN
Energy Regulatory Commission
Philippines

- ❑ Priority connection to the Grid
- ❑ Priority purchase and transmission of; and, payment for RE by the Grid Operator
- ❑ Support to On-Grid Renewable Energy Development
 - ❑ Renewable Portfolio Standards
 - ★ Feed-In Tariff System
 - ❑ Renewable Energy Market
 - ★ Green Energy Option
 - ★ Net-metering for Renewable Energy
- ❑ Support to Off-Grid Renewable Energy Development
 - ❑ Minimum RE generation capacities

FIT

NREB → ERC → FIT

- ❑ For On-Grid emerging RE
- ❑ In compliance with the RPS
- ❑ Per technology & size
- ❑ Fixed
- ❑ Time of Use
- ❑ 20 years
- ❑ Annual adjustment; Degression
- ❑ Subject to Review
- ❑ Optimal Penetration Approach
- ❑ Initially based on cost or representative project
- ❑ Subject to Public Consultation

Exhibit 30: Optimal RES-E Penetration under Private Costs

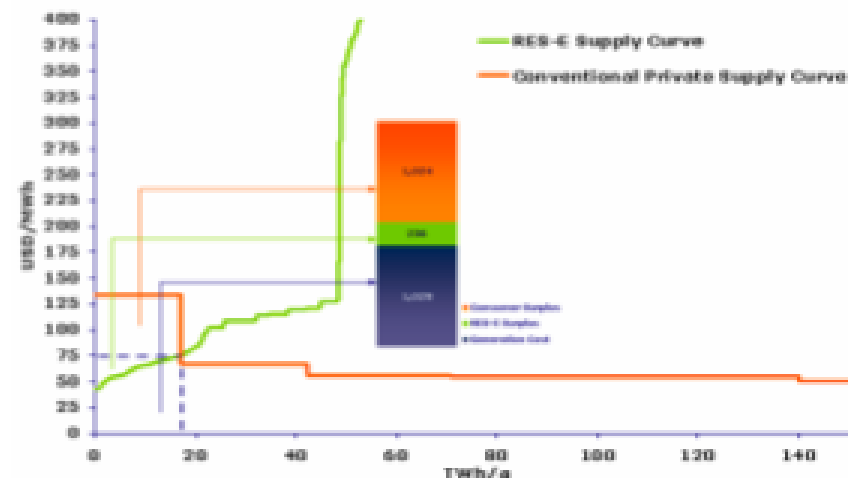
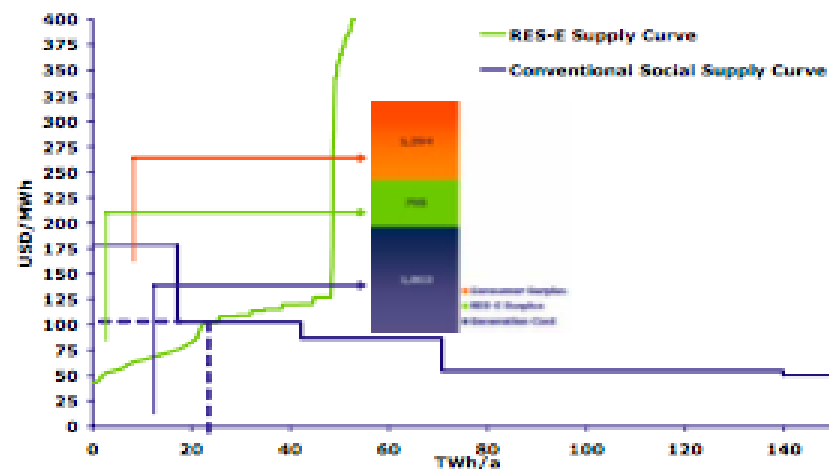


Exhibit 32: Optimal RE Penetration Under Social Costs



FIT

NREB → ERC → FIT

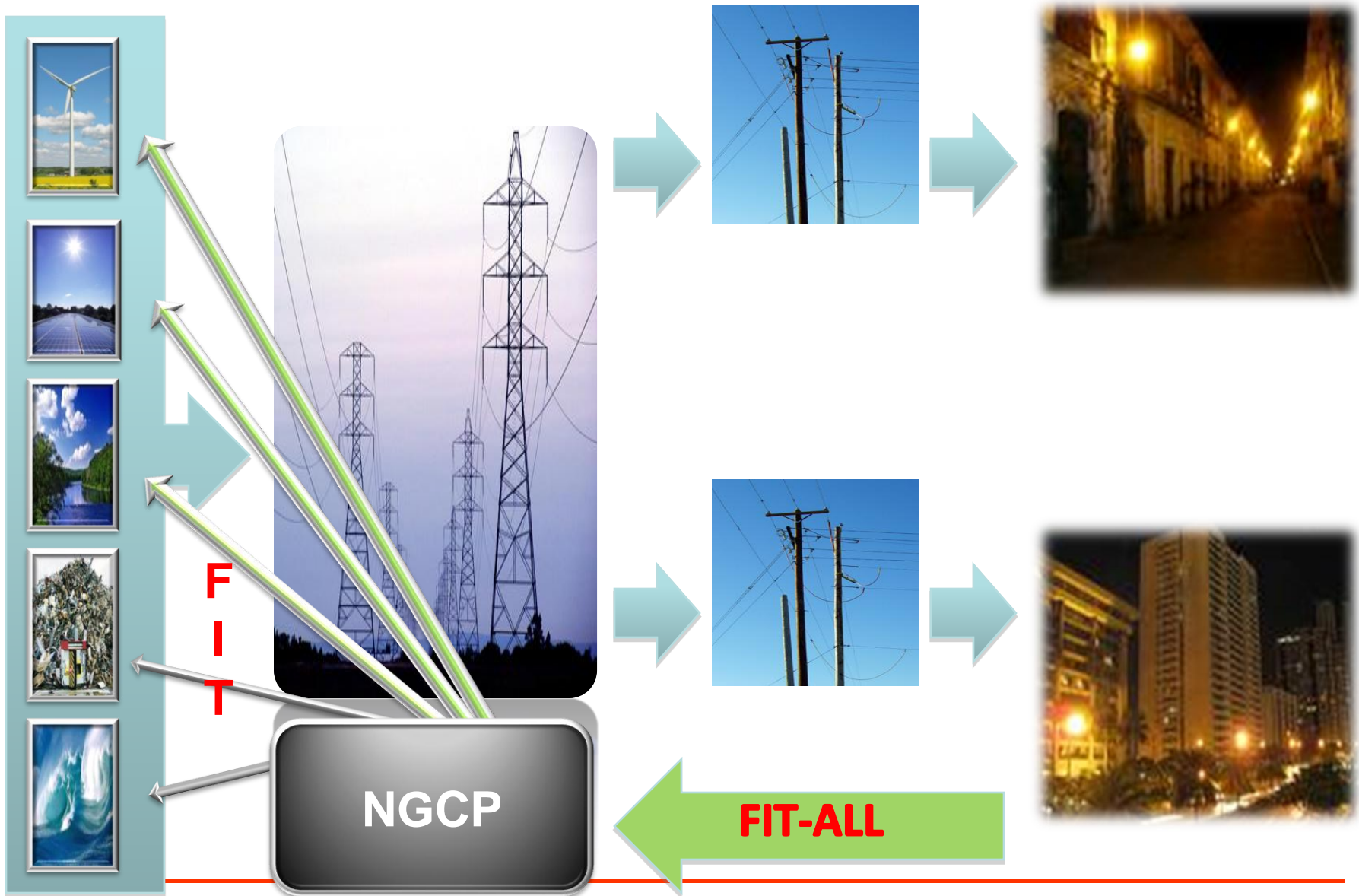
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FIT ALL (Allowance)

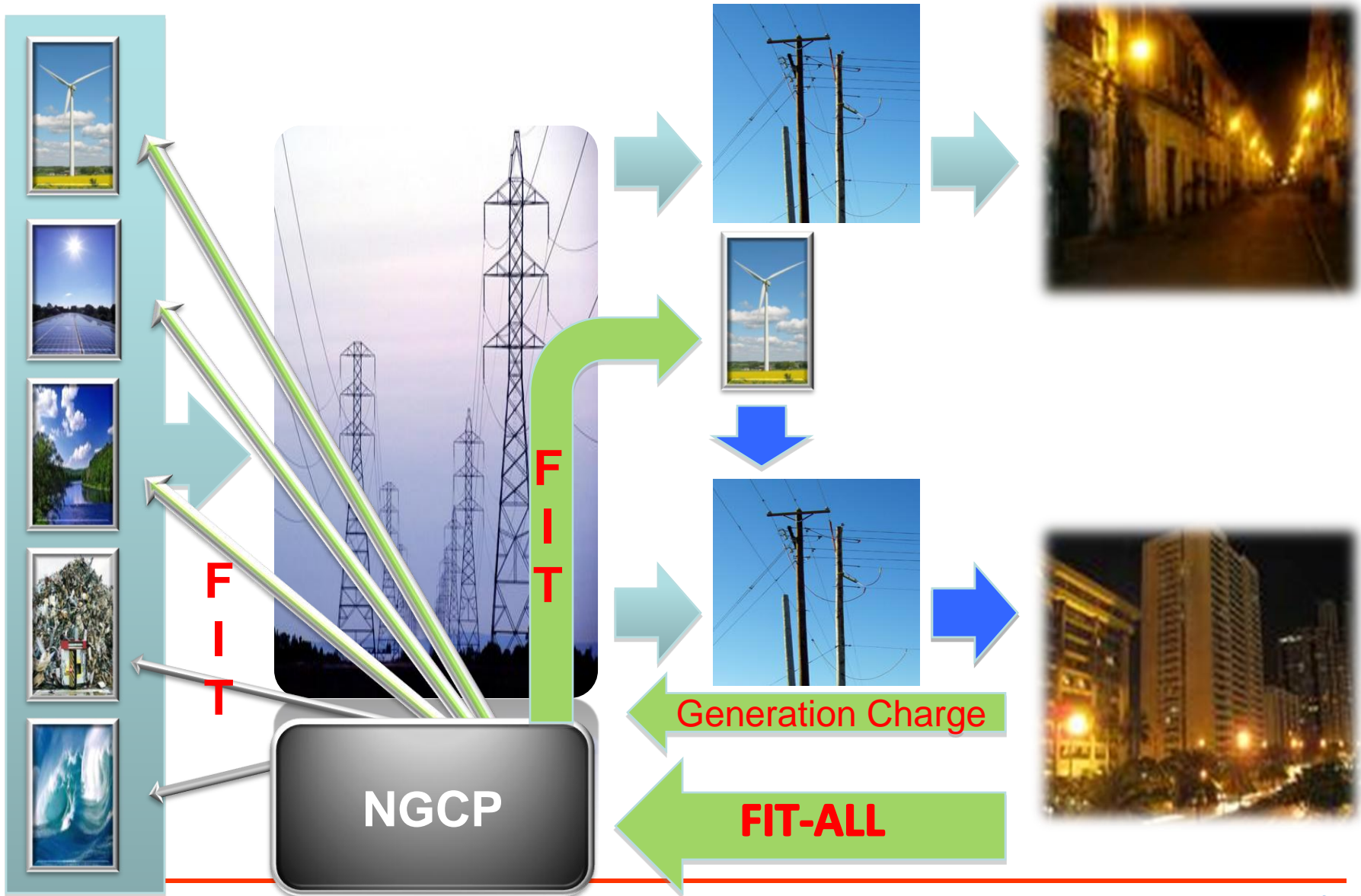
NGCP → ERC → FIT ALL

- ❑ Uniform Php/kWh charge
- ❑ Payable by all electricity users
- ❑ Annually calculated & set
- ❑ Based on forecast
 - ❑ RE deliveries & Total kWh sales
- ❑ For DUs with embedded RE, liable to pay for the cost of generation and FIT All
 - ❑ RE may opt to wheel to Grid
- ❑ Fund administered by NGCP for FIT payments
 - ❑ Working Capital
- ❑ Subject to Public Hearing

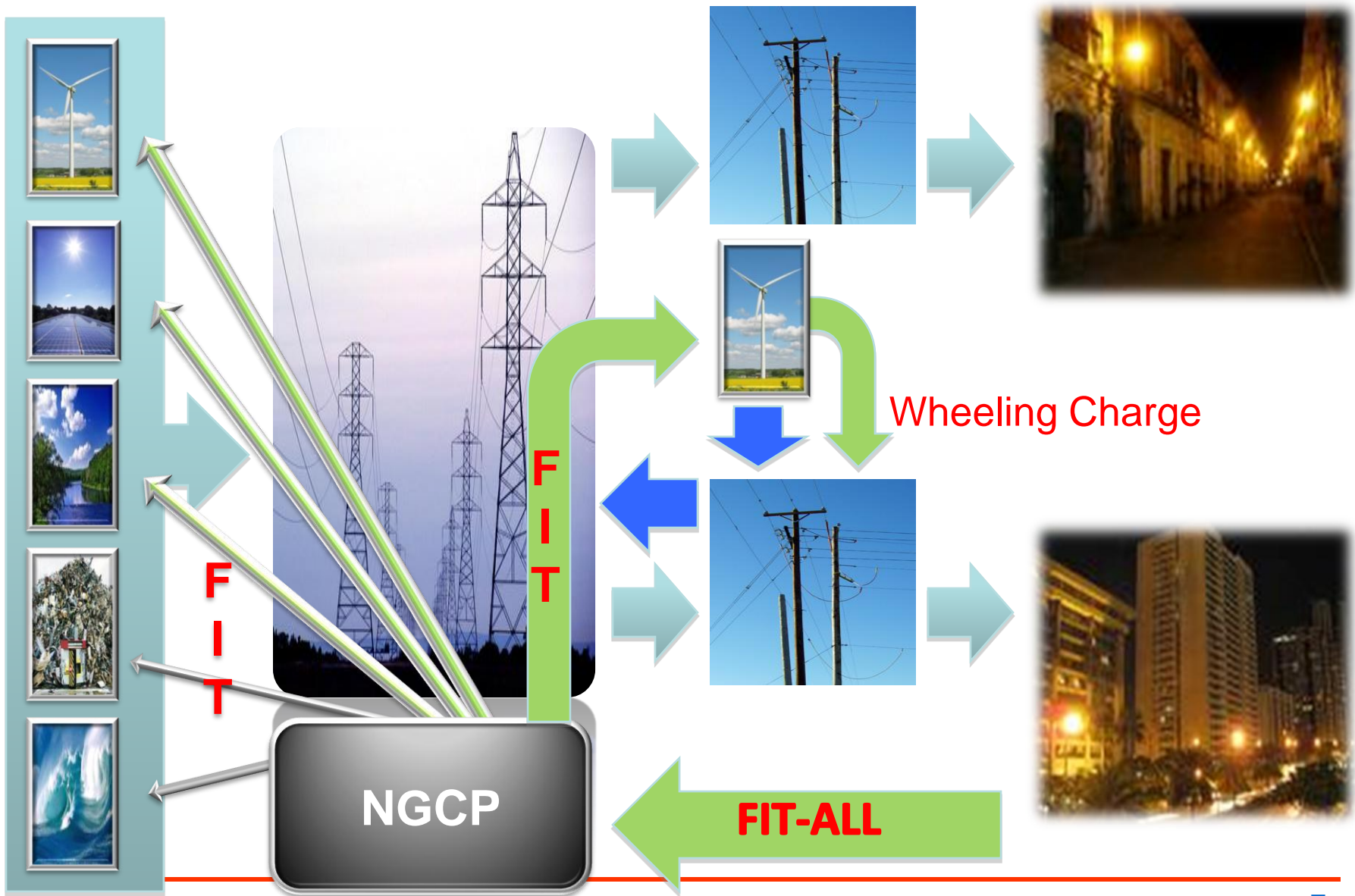
FIT Framework



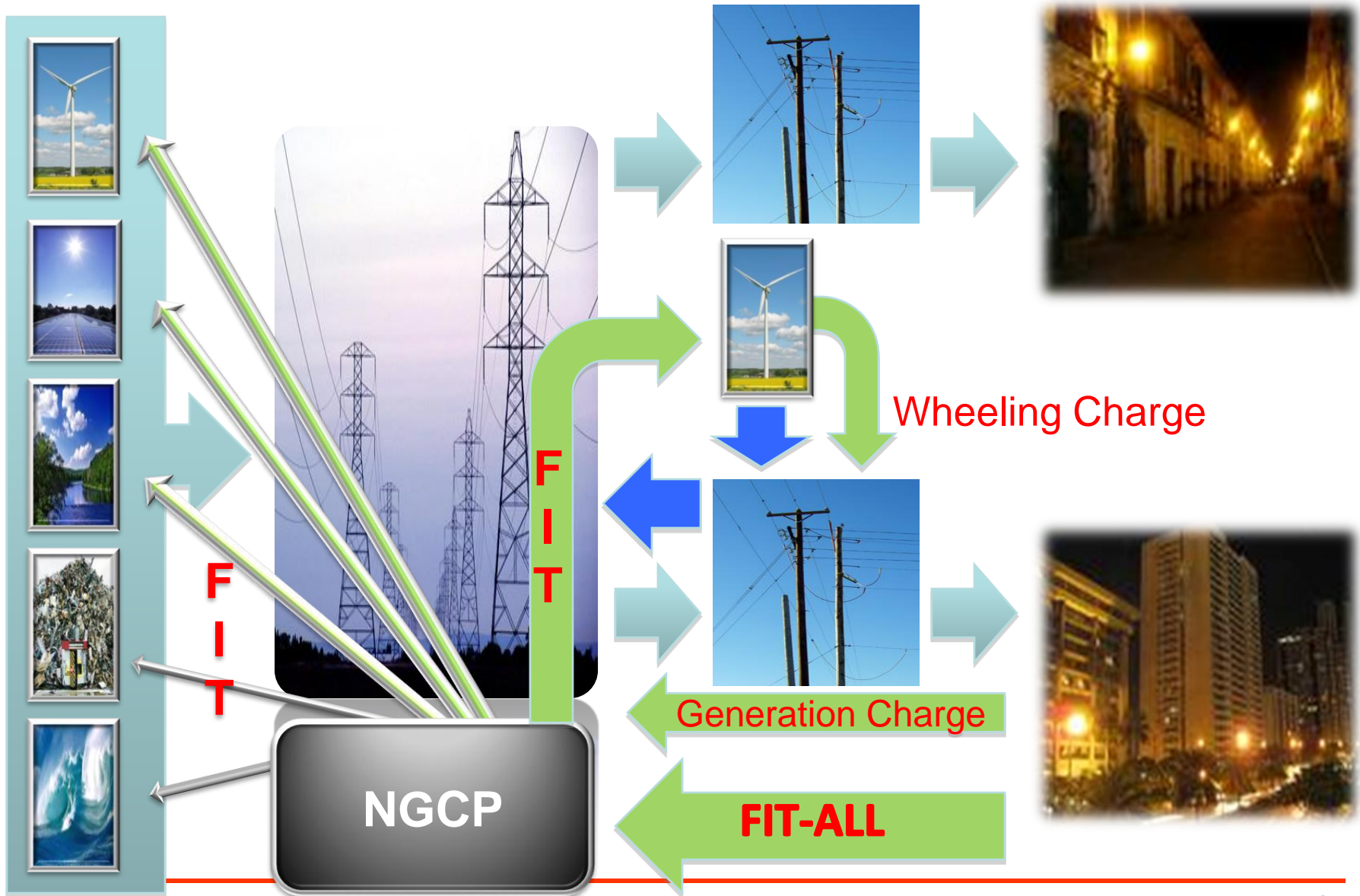
FIT Framework



FIT Framework



FIT Framework



- **FIT as True Cost of Generation**
- **Subsidized through the Missionary Electrification Universal Charge**

THANK YOU!

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