



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
The Philippines' Electric Cooperatives

22 January 2025

ADVISORY-2025-C-005

FOR : ALL ELECTRIC COOPERATIVES

**ATTN : GENERAL MANAGERS
ALL PECACORP NATIONAL OFFICERS
CORPORATE PLANNING DEPARTMENT MANAGERS**

**SUBJECT : SURVEY ON ELECTRIC COOPERATIVES' ISSUES AND
CONCERNS IN UNDERTAKING COMPETITIVE SELECTION
PROCESS FOR POWER SUPPLY AGREEMENTS**

Greetings of Peace and Solidarity from PHILRECA!

Kindly be informed that the Energy Regulatory Commission (ERC), through its Regulatory Operations Service (ROS), conducted a focus group discussion on 21 January 2025 with energy stakeholders in the distribution sector to discuss its proposal to establish benchmark rates for power supply agreements (PSAs) as a requirement in undertaking competitive selection process (CSP).

During the meeting, the Association emphasized that several factors must be considered for the classification and rate-setting methodology, including but not limited to the risk components parameters, geographical location of distribution utilities and availability of power suppliers, type of generation technology, and the availability and current pricing of resources.

Moving forward, ERC has requested all stakeholders to submit their comments and recommendations in writing. With this, the Association aims to provide a collective and comprehensive position on this matter, which is critical in ensuring efficient procurement of power supply in the least-cost manner as mandated by Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA).

In this regard, the electric cooperatives are hereby requested to submit their responses and comments on the following questions:

1. *What financial model does your electric cooperative utilize in determining the ideal bid price to be included in the terms of reference (TOR) as a requirement for the conduct of the competitive selection process (CSP)?*

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



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2. *What parameters affect the determination of the ideal bid price to be included in the terms of reference (TOR)?*
3. *What are the major roadblocks in the conduct of the CSP for power supply agreements (PSAs)? How does your electric cooperative manage these?*
4. *Has your electric cooperative experienced failed bidding during the conduct of CSP? What caused such instances?*
5. *What support does your electric cooperative need in the conduct of CSP?*
6. *Based on your recent experiences, what can be done to expedite the approval of PSA applications?*

We look forward to all your submissions in Word format **on or before 27 January 2025, Monday** to our email: core@philreca.org using the following file name format: *CSP Concerns_Name of Electric Cooperative_Name of Respondent*.

For other issues and concerns, you may contact us at core@philreca.org, or our Resource Center Office at 0917.632.9963 or 0967.275.7175.

Thank you and Power on!

Respectfully yours,

JOSE ANGELO CAGAYAT

Research Associate

Noted by:

MS. CLARISSE R. SANTOS

Research and Development Manager

ATTY. JANEENE DEPAY-COLINGAN

Executive Director/General Manager

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