

PHILRECA seeks regulatory support for ECs in the retail electricity market

PHILRECA Press Release

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The Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA), together with the Association of Mindanao Rural Electric Cooperatives, Inc. (AMRECO) and several electric cooperatives (ECs), participated in the focus group discussion (FGD) organized by the Energy Regulatory Commission (ERC) at the ERC Main Office, Pasig City on Tuesday, March 4.

The FGD, as facilitated by Atty. Chiara Angela Blanco from the ERC Market Operations Service, convened representatives from the transmission and distribution sectors to discuss the development of a “Retail Market Roadmap,” which shall elaborately establish the roles and responsibilities of energy stakeholders in expanding the consumer base in the retail electricity market.

The proposed amendment on the Retail Competitive and Open Access (RCOA) rules seeks to gradually lower the current 500 kilowatt-hour (kWh) to 100 kWh threshold for switching of contestable customers, ultimately enabling household level participation in the succeeding years.

PHILRECA Board Director Renato San Jose, General Manager of the Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV), emphasized the need to standardize existing rules and regulations on the retail market with due consideration on the topography, infrastructures, and consumer demand of ECs before the full implementation of the lower threshold.

GM San Jose believes that a comprehensive review can ensure preparedness of energy stakeholders, including the ECs, in compliance with the technical and regulatory requirements of the market.

PHILRECA also urged the Commission to expedite the approval of pending capital expenditure (CAPEX) project applications and power supply agreements (PSAs) of electric cooperatives as non-stock and non-profit institutions to ensure their readiness and competitiveness in the retail electricity market.

The ERC, in turn, committed to review and further assess the implications of lowering the retail threshold on the financial and technical operations of ECs, and sought the proposal of PHILRECA and AMRECO on how the ECs can better adapt with the RCOA rules, which will form part of the roadmap.

Also present during the FGD were representatives from the Philippine Electricity Market Corporation (PEMC), National Transmission Corporation (TransCo), National Grid Corporation of the Philippines (NGCP), Private Electric Power Operators Association (PEPOA), and other distribution utilities.