

**MERALCO'S COMMENTS ON THE PROPOSED
OPEN ACCESS TRANSMISSION SERVICE**

Section	Page	Comments / Suggestions
F4.1	68	We suggest that the period be adjusted to seven (7) days as 3 days in our experience is a very tight schedule for validation of the power bill.
F(AI)2.2 F(AI)3.2	70 71	What is the justification for a billing determinant being the 12 highest peak demands over a 30-minute period for a period of 12 months when said billing determinant is to be used for the current month. What is the divisor in determining the PDS charge per kW from the PDS Revenue Requirement of TransCo? Is this consistent with TransCo' s rate filing in the tariff unbundling? How does this apply to new generators who do not yet have any billing history?
F(AI)3.2	71	What is the justification for a billing determinant being the 12 highest peak demands over a 30-minute period for a period of 12 months when said billing determinant is to be used for the current month. What is the divisor in determining the PDS charge per kW from the PDS Revenue Requirement of TransCo? Is this consistent with TransCo' s rate filing in the tariff unbundling? How does this apply to new loads that do not yet have any billing history?
F(AI)4.2 F(AI)4.3	72 72	How are %Gp and %Lp determined? Is %Gp + %Lp = 100%?
F(AII)3.1	75	Did the ERC already release a "Connection Definition Method" draft? If not, who will make the draft?
F(AII)3.5	76	What is the rationale behind having a four-year average for the ASMC and ALMC? Is this the most recent 4 years or can it be any arbitrary 4-year interval.
F(AIII)1.2 F(AIII)1.3	78 79	How are %Gs and %Ls determined? Is %Gs + %Ls = 100%?
F(AIV)4.5	83	What is the difference between "Optimised Replacement Cost" and "Optimised Depreciation Replacement Cost" found in F(AIV)3.1?
F(AIV)4.6	84	What is the rationale behind calculating over the last four years?
F(AIV)5.1	85	For clarity, this should be reworded to read "percent of net generation determined to the nearest 0.01%".
F(AVI)1.2	88	Will PDS be included in the AS charges for embedded generators? If so, this provision must clearly stipulate such additional charges.
F(AVI)3.1	89	The term "GBD" should have been "ABD".
F(AVI)4	90	It should be specified if the Back up Reserve Service Charge will include the associated energy charges.
F(AVI)5.1	91	When does one incur a Black Start Service Charge? Is this only during a system blackout occurred or is this a monthly charge similar to the ancillary

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		service charges?
F(AVI)6.2	92	<p>The $\pm 1.5\%$ band is too tight for the Philippine grids due to poor regulations resulting in the wide fluctuations in the system frequency. (Another question is, how will TransCo treat the condition wherein an auxiliary equipment of the plant has tripped due to the swing in the system frequency resulting in the plant's energy imbalance?)</p> <p>Prior to the operation of the WESM, there must be a concrete procedure how the hourly marginal cost is determined (if the variable cost of the marginal unit/plant will be the basis, then, this information should be published on a regular basis (say, monthly).</p> <p>While the then NPC has currently established a 50% penalty for under-deliveries beyond the -1.5% allowed limit, it has not quantified the financial impact of such under-deliveries to any affected generating facilities and passing-through of these charges is not transparent. Moreover, the regulating capability of the designated plant is actually being compensated as part of the AS charges being paid by the Transmission Customer.</p> <p>Not crediting over-generation, on the other hand, is actually undue enrichment on the part of TransCo inasmuch as the details of how such un-credited energy will be paid to the affected generating plants has not been shown. TransCo bills/collects the appropriate charges to/from the Transmission Customer. With TransCo and NPC's separation as mandated by RA 9136, it is not transparent how TransCo is passing-through these charges while the Transmission Customer is practically paying twice for these imbalance energies. First, as generated by the IPPs since the full net electrical output of the plant is billed to Meralco and second, as an additional delivery from NPC.</p> <p>In view of the foregoing, we propose to use two-level scheduled energy imbalance deviation band, first at $\pm 2.5\%$ and a minimum 2 MW level that the generating units are allowed to deviate without penalty and a second band of $\pm 10\%$. Charges for deviations between 2.5% and 10% shall be 90% of marginal cost of energy credit (payment) for positive imbalance (actual load > scheduled load) or 110% of marginal cost energy payment for negative imbalance (actual load < scheduled load). For energy imbalances more than $\pm 10\%$, positive imbalance shall be credited for 80% of marginal cost of energy while negative imbalance shall be charged at 120% of marginal cost of energy. (Reference: http://www.nwoasis.org/documents/NWMT/ExhibitL10-23-02.pdf). Such a scheme will cover all possible conditions resulting in scheduled energy imbalance of generating facilities.</p>
F(AVIII)1.1	95	This should have been "any given connection point and time" instead of "given load and time".
F(AVIII)1.4	95	What is the rationale for raising the upper power factor limit to 95% from the previous 90% used by NPC?

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F(AVIII)2.3	96	Does the subscript (i) in Mi refer to hours. If so, this should be stated explicitly.