

Proposed Amendments on the “Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Areas.”

1. Sec. 3, Article II thereof is hereby amended to read as follows:

ARTICLE II

Delegated NPC-SPUG Areas

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Section 3. **Filing and Approval of the PSA and the NPP TCGR.** The EC shall file with the ERC an application for the approval of its PSA with an NPP and the NPP TCGR.

Following the award of the PSA to the winning NPP, xxx
the EC shall submit the following:

- i. A sworn certification that the PSA was awarded in accordance with Article 11 Section 2 of these Guidelines;
- ii. DOE Certification on the conduct of the CSP;
- iii. A copy of the signed PSA and other supporting contracts and agreements;
- iv. Latest and complete Set of Audited Financial Statements of the Generation Company (Balance Sheet, Income Statement, and Statement of Cash Flows);
- v. Bank Certification of Long-term Loans, including to wit:
 1. Schedule of Original Loan (Principal amount, interest payable, term of the loan)
 2. Updated Balances (Principal amount, Interest payable, penalties (if any), remaining term of the loan

To submit both in absolute peso amounts and PhP/kWh used to derive the PhP/kWh; and segregate each type of discount given to

DU in absolute amounts in PhP/kWh, the conditions governing the giving of the discounts

- vi. Sworn Statement detailing how the fuel was competitively procured, contract terms, unbundled price components (product cost, transshipment, delivery, container, etc.), if applicable;
- vii. Certification (from the engine manufacturer or IPP) of the net heat rate (initial and every after major maintenance schedule) in liters per kWh, if applicable;

- viii. Simulation of the no. of operating units to meet the MEOT and/or additional energy/demand requirements of the DU;
- ix. Potential Cost (absolute amounts and PhP/kWh of Ancillary Services as and when the IPP or the DU is connected to the main grid;
- x. Financial Sourcing:
 - 1. Proof of owner's equity
 - 2. Proposed loan and terms of loan (years, interest rate, etc.)The NPP must be able to prove its ability to start and complete the project and to operate and maintain the power plant for the contractual period;
- xi. Load Profile – Generation Supply Sources
The DU to submit its annual load profile (past 12 months) and show the quantities allocated to the NPC and other sources of generation supply;
- xii. Simulation of the Unbundled Tariff (generation plus transmission) of the proposed sources of supply (NPC-SPUG included) and the unbundled tariff when NPC-SPUG is no longer a source of supply;
- xiii. Written Commitment to connect to the NPC-SPUG transmission network in compliance with the Philippine Distribution Code (PDC); and
- xiv. Documents in support of the project cost including contracts and agreement entered into.
- xv. Such other documents that the ERC may require.

After the filing of the application, at its discretion, the ERC may require NPC-SPUG to submit its comments on or intervene in the application.

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2. Sec. 3, Article II is hereby amended to delete the following:

The ERC will render a Decision on the PSA and the NPP TCGR within ninety (90) days from the date of the filing of the application, unless it extends the 90-day decision period for a maximum of ninety (90) days on account of extraordinary circumstances attending the application. If no decision is rendered within the original or the extended decision period, the PSA and the NPP TCGR will be deemed approved.

3. Sec. 1 (a), Article III is hereby amended to delete the following:

The ERC will render a Decision on the application within 180 days from the date of the filing. If no decision is rendered within the said period, the NPC-SPUG TCGR will be deemed approved, unless the ERC extends the said decision period on justifiable grounds.

4. Inclusion of Article V. Exception Clause.

ARTICLE V
Exception Clause

Where good cause appears, the ERC may allow an exception from any provision of these Guidelines, if such exception is found to be in the public interest and is not contrary to law or any other related rules and regulations.