



Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

RESOLUTION NO. 10, SERIES OF 2012

RESOLUTION APPROVING THE FEED-IN TARIFF RATES

WHEREAS, Section 7 of Republic Act (R.A.) No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, and Section 5 of its Implementing Rules and Regulations (IRR) empowers the Energy Regulatory Commission (ERC), in consultation with National Renewable Energy Board (NREB), to formulate and promulgate Feed-in Tariff (FIT) system rules;

WHEREAS, in pursuance of this mandate, the ERC, on 12 July 2010, promulgated the Feed-in Tariff Rules (FIT Rules) through Resolution No. 16, series of 2010, which became effective on 12 August 2010;

WHEREAS, FIT Rules establish the FIT system framework, including the methodology for setting the FITs and their payment to the eligible Renewable Energy (RE) Developers through the imposition on all electricity consumers known as the Feed-In-Tariff Allowance (FIT-All);

WHEREAS, Section 8 of the FIT Rules provides that the NREB shall submit its recommended FITs to the ERC in accordance with its Rules of Practice and Procedure (ERC RPP);

WHEREAS, Section 5 of the FIT Rules provides that the initial FITs that the NREB shall recommend may be based on a reference cost study for each technology based on a real candidate project or a hypothetical one depending on the available information, as long as it is representative of the average conditions of the renewable energy plant operating in compliance or at par with applicable international technical standards and practices, and the pricing study shall consider all non-price incentives in R.A. 9513;

WHEREAS, on 16 May 2011, NREB submitted its proposed FIT rates (under ERC Case No. 2011-006 RM: In the Matter of the Petition to Initiate Rule-Making for the Adoption of the Feed-In Tariff for Electricity Generated from Biomass, Ocean, Run-of-River Hydropower, Solar and Wind Energy Resources), to wit: (1) Biomass for PhP7.00/kWh; (2) Ocean for PhP17.65/kWh; (3) Run-of River Hydropower for PhP6.15/kWh; (4) Solar for PhP17.95/kWh; and (5) Wind for PhP10.37/kWh;

WHEREAS, NREB also proposed a Degression of 0.5% after year 2 for Biomass, Run-of-River Hydro and Wind, a 6% degression after year 1 for Solar, and no degression for Ocean;

WHEREAS, on 06 July 2011, the ERC received the Department of Energy's (DOE) Resolution Approving the Final Installation Targets, to wit: (1) 250 MW for Biomass; (2) 10 MW for Ocean; (3) 250 MW for Run-of-River Hydropower; (4) 50 MW for Solar; and (5) 200 MW for Wind;

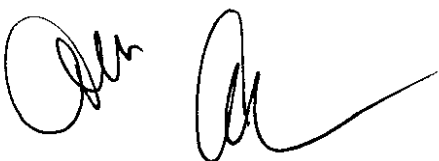
WHEREAS, the ERC conducted the following hearings on the said case:

- August 3, 2011 – Public Hearing
- September 9, 2011 – Jurisdictional, Pre-Trial & Expository
- September 16, 2011 – Expository Presentation (Davao)
- September 20, 2011 – Pre-Trial
- October 25, 2011 – Expository Presentation (Cebu)
- October 26, 2012 – Pre-Trial
- November 3 & 10, 2011 – Evidentiary Hearing
- November 18, 2011 – Hearing on Motion of NREB
- December 5, 6 & 19, 2011 – Evidentiary Hearing, continuation
- January 9, 2012– Evidentiary Hearing, continuation
- February 16 & 17, 2012– Evidentiary Hearing, continuation
- March 19 & 20, 2012– Evidentiary Hearing, continuation

WHEREAS, the following participated in the hearings: (1) Biomass Renewable Energy Alliance, Inc. (BREA); (2) Cagayan Electric Power and Light Co., Inc. (CEPALCO); (3) Freedom from Debt Coalition (FDC); (4) Federation of Philippine Industries (FPI); (5) Foundation for Economic Freedom (FEF); (6) Global Green Power PLC Corporation (GGPC); (7) Manila Electric Company (MERALCO); (8) National Association of Electricity Consumers for Reforms, Inc. (NASECORE); (9) National Grid Corporation of the Philippines (NGCP); (10) Philippine Association of Small Scale Hydropower, Inc. (PASSHYDRO); (11) Philippine Chamber of Commerce and Industry (PCCI); (12) Philippine Solar Power Alliance, Inc. (PSPA); (13) Power One Corporation (POC); (14) Visayan Electric Company, Inc. (VECO); and (15) Wind Energy Developer's Association of the Philippines (WEDAP);

WHEREAS, after careful consideration of the evidence presented, and guided by the policy objectives in R.A. No. 9513, the ERC deems it appropriate to set the FIT rates for all the RE technologies entitled to the FITs, except, in the meantime, Ocean.

NOW THEREFORE, the ERC, after thorough and due deliberation, hereby **RESOLVES**, as it is hereby **RESOLVED**, to **APPROVE** and **ADOPT**, the following **FEED-IN TARIFF RATES**:



	APPROVED FIT RATES (¢/kWh)	APPROVED FIT INCREASES (%)
WIND	8.53	0.5% after year 2 from effectivity of FIT
BIOMASS	6.63	0.5% after year 2 from effectivity of FIT
SOLAR	9.68	6% after year 1 from effectivity of FIT
HYDRO	5.90	0.5% after year 2 from effectivity of FIT

The payment of the approved FIT rates to the eligible RE Developers shall commence upon the effectivity of the Feed-in Tariff Allowance (FIT-All), which shall be determined by the Commission at a later date after due proceedings thereon.

This Resolution shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the country.

Pasig City, 27 July 2012.

Zenaida G. Cruz-Ducut
ZENAIDA G. CRUZ-DUCUT
 Chairperson

Maria Teresa A. R. Castaneda
MARIA TERESA A. R. CASTANEDA
 Commissioner

(On Leave)
JOSE C. REYES
 Commissioner

Alfredo J. Non
ALFREDO J. NON
 Commissioner

Gloria Victoria C. Yap-Taruc
GLORIA VICTORIA C. YAP-TARUC
 Commissioner

SOM/FCJ