



**RETAIL ELECTRICITY
SUPPLIERS ASSOCIATION**

Outline

- RCOA Process
- RES Billing Components
- Current Tax Implications of RES/LRES transactions
- Industry Status on Billing and Settlement

BACKGROUND ON RCOA PROCESS

RCOA Background

- Open Access is the last major feature of the EPIRA.
- Objective is to promote efficiency and open competition for end-users in the procurement of generation supply
- Initial implementation started in June 26, 2013 with around 29% of the total contestable market participating



RCOA Process

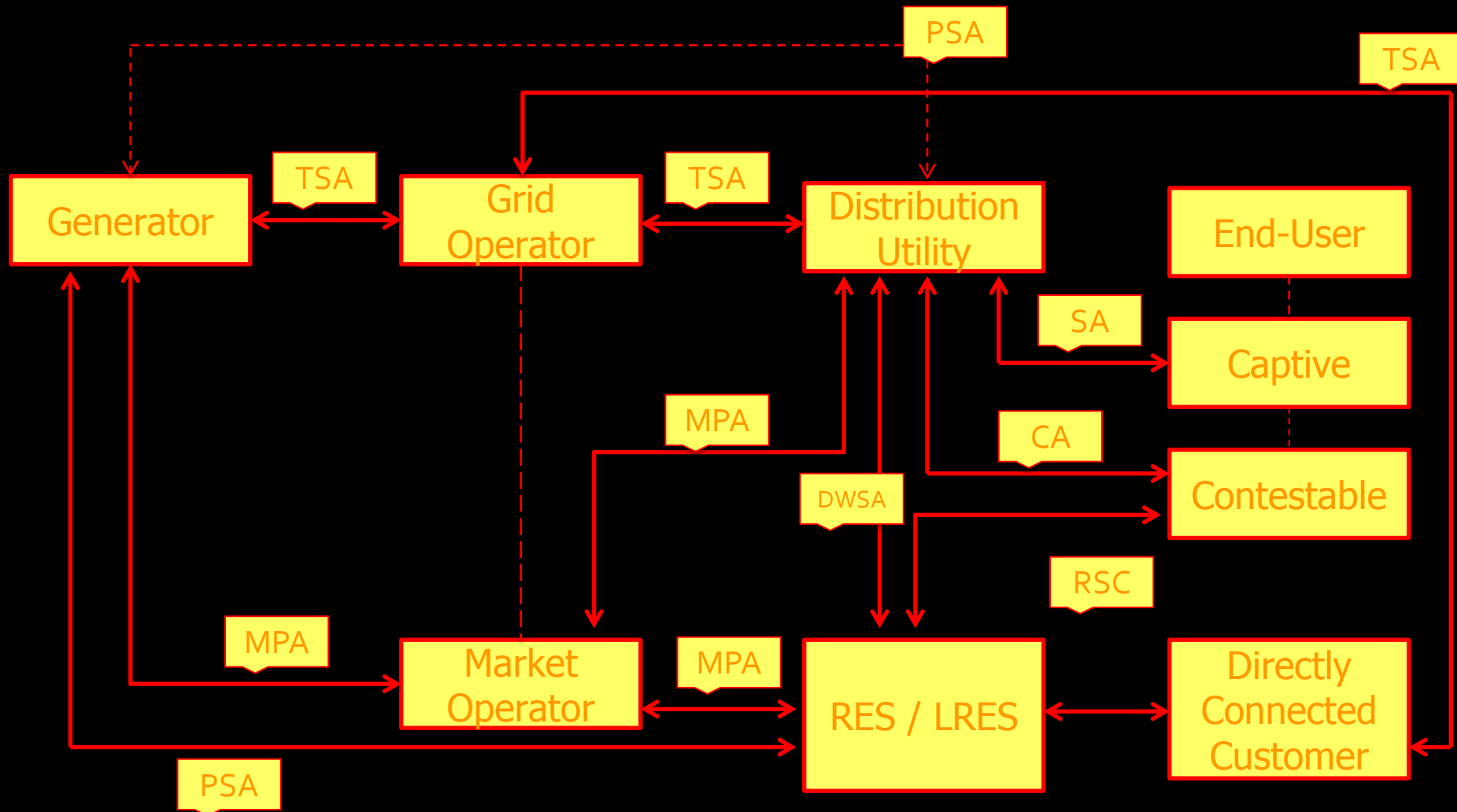
- An entity called Retail Electricity Supplier (RES) is introduced as the point entity to operate in the electricity supply segment.
- Transactions between the DU, Market and Generators are handled by the RES company serving the Contestable Customer
- A Central Registration Body (CRB) is introduced as the data exchange center for Open Access transactions; PEMC has been designated as CRB

**Retail Electricity
Supplier**



**Contestable
Customer**

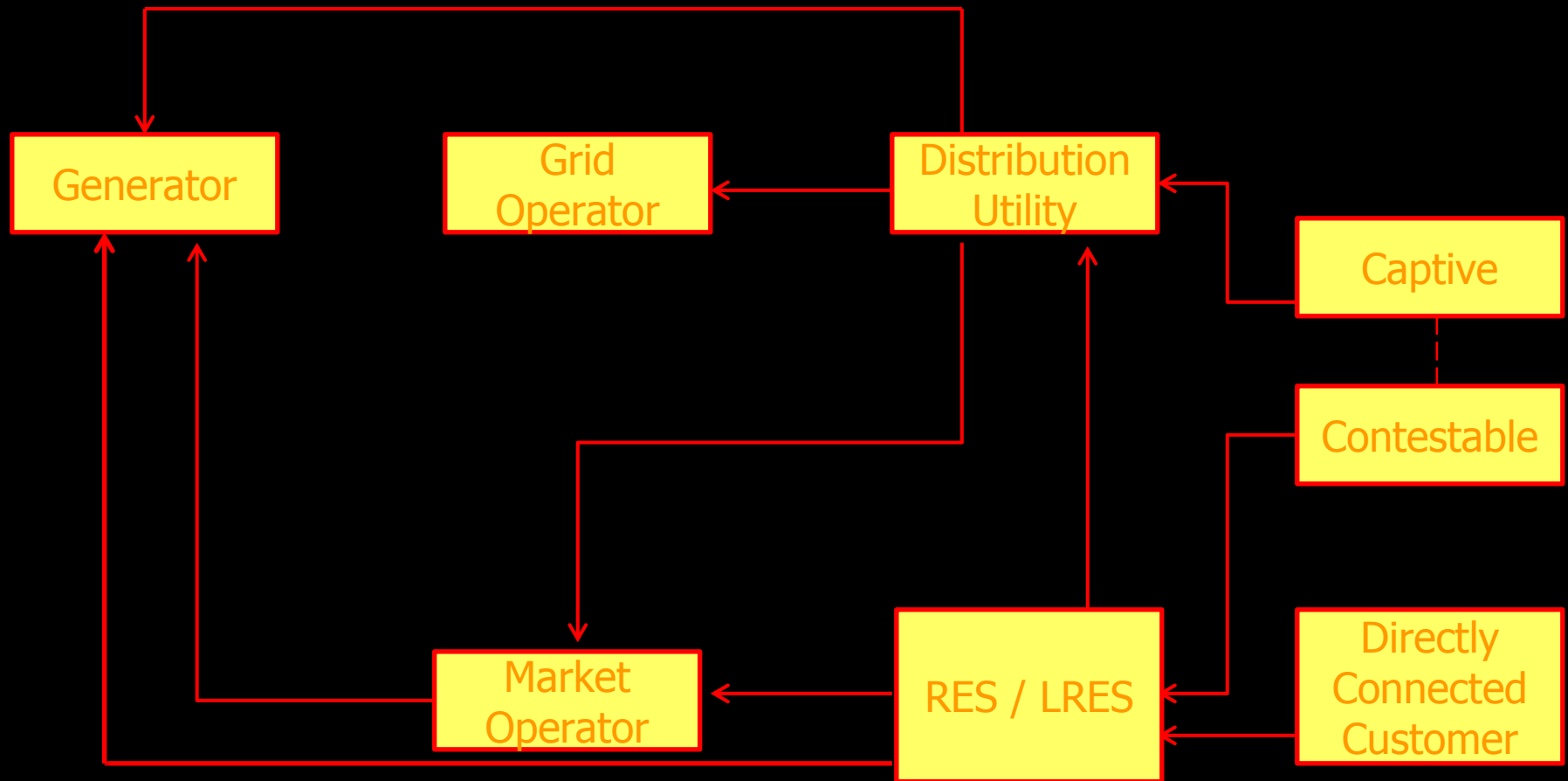
RCOA Process – Contracting Relations



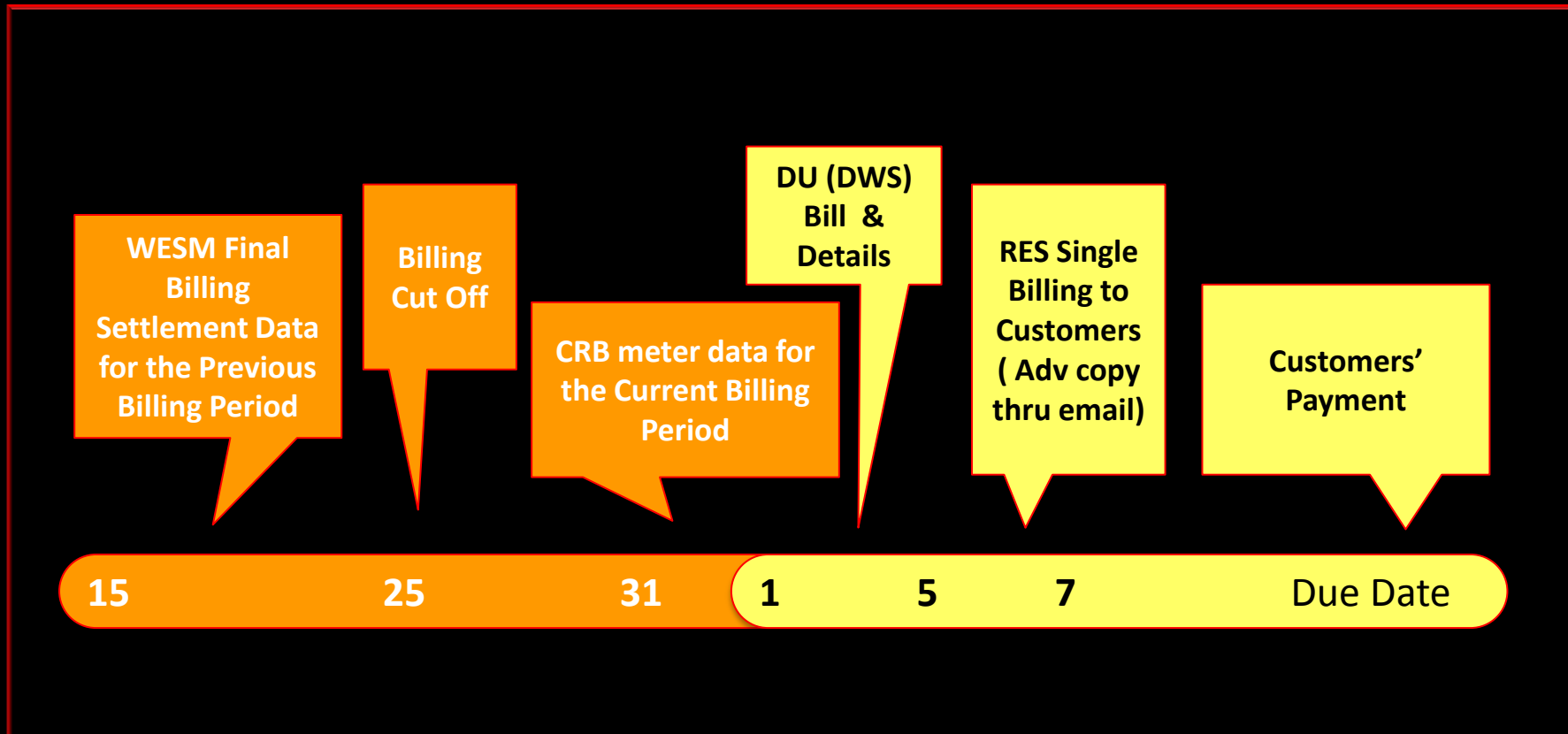
RCOA Process

- DWSA (Distribution Wheeling Service Agreement)
- CA (Connection Agreement)
- MPA (Market Participation Agreement)
- TSA (Transmission Service Agreement)
- PSA (Power Supply Agreement)
- RSC (Retail Supply Contract)

RCOA Process – Settlement Flow



RES Transaction Settlement Timeline



RES CUSTOMER BILLING

BILLING STATEMENT

Customer's Name:

Address:

TIN

Business Style:

Power Bill No.

Due Date:

Billing Period:

RBIP-14-06-012

July 25, 2014

May-26 to Jun-25-2014

BILLING PARTICULARS

PARTICULARS			AMOUNT (PHP)
I. CHARGES AND FEES			
GENERATION & RES CHARGES			3,127,231.86
DISTRIBUTION UTILITY CHARGES			1,479,973.55
Sub Total			PHP 4,607,205.41
II. GOVERNMENT TAXES			
VALUE ADDED TAX			
VAT Sales			
GENERATION & RES CHARGES	3,127,231.86	0.12	375,267.82
DISTRIBUTION UTILITY CHARGES	1,037,264.11	0.11	116,846.32
VAT Zero Rated	0.00	0.00	0.00
VAT Exempt	442,709.44		0.00
APPLICABLE LOCAL TAX			0.00
TOTAL GOVERNMENT TAXES			492,114.14
Sub Total			PHP 492,114.14
III. TOTAL CURRENT AMOUNT DUE			PHP 5,099,319.55
IV. PREVIOUS BALANCE			
TOTAL AMOUNT DUE			PHP 5,099,319.55

TOTAL AMOUNT DUE

IV. PREVIOUS BALANCE

III. TOTAL CURRENT AMOUNT DUE

PHP



RETAIL ELECTRICITY
SUPPLIERS ASSOCIATION

PHP

5,099,319.55

Account No. 10047

Customer Name:

METERING INFORMATION

SEIN:

Meter No.

kWh

1,927,672.25

CURRENT BILLING SUMMARY

BILL SUBGROUP	SUBTOTAL	%
Generation	9,951,902.30	64.01%
NPC GRAM/ICERA	274,307.73	1.76%
Prev Mo. Adj on Cap Gen Cr	-	0.00%
Transmission	1,554,999.52	10.00%
System Loss	461,291.91	2.97%
Distribution	1,016,038.16	6.54%
Subsidies	204,718.77	1.32%
Universal Charges	605,867.31	3.90%
Government Taxes	1,477,239.83	9.50%
TOTAL	15,546,365.53	100.00%

Particulars	Determinants	Unit	Rate	Amount	Particulars	Determinants	Rate	Amount
I. GENERATION CHARGES								
SUBTOTAL	1,927,672.25	kWh	5.1627	9,951,902.30				
II. DISTRIBUTION UTILITY CHARGES								
a. NPC GRAM/ICERA	1,927,672.00	kWh	0.1423	274,307.73	III. GOVERNMENT TAXES			
b. Prev. mo's adj. On Captive Gen C	1,927,672.00	kWh	0.0000	-	a. LOCAL FRANCHISE TAX	3,511,356.09	0.0050	17,556.78
SUBTOTAL				274,307.73	SUBTOTAL			17,556.78
c. TRANSMISSION CHARGE					b. VALUE ADDED TAX			
Transmission Charge(VAT)	4,370.80	kW	82.9713	362,651.14	VAT Sales			
Transmission Charge(Non-VAT)	4,370.80	kW	272.80	1,192,348.38	Generation	9,951,902.30	0.12	1,194,228.28
SUBTOTAL				1,554,999.52	GRAM/ICERA	274,307.73	0.09	24,303.66
d. SYSTEM LOSS CHARGE					Prev Adj on Cap. Gen cost	-	-	-
System Loss Charge	1,927,672.00	kWh	0.24	461,291.91	Transmission	362,651.14	0.12	43,518.14
System Loss Reduction Benefit				-	System Loss	461,291.91	0.11	49,035.33
SUBTOTAL				461,291.91	Distribution	1,016,038.16	0.12	121,924.58
e. DISTRIBUTION					Subsidies & Others	222,275.55	0.12	26,673.07
Demand Charge	4,370.80	kW	217.08	948,813.26	SUBTOTAL			1,459,683.05
Energy Charge	1,927,672.00	kWh	0.0603	117,395.22	VAT Zero Rated			
Metering Charge	1.00		14350.77	14,350.77	Generation Charges	0.00	0.00	-
Supply Charge	1.00		15124.68	15,124.68	Distribution Utility Charges	0.00	0.00	-
Power Factor Adjustment	1,066,208.48	95.67%	-0.0747	(79,645.77)	VAT Exempt			
Special Discount	-			-	Generation Charges	0.00	-	-
SUBTOTAL				1,016,038.16	Distribution Utility Charges	1,798,215.69	-	-
f. SUBSIDIES					SUBTOTAL			-
Life Rate Subsidy	1,927,672.00	kWh	0.1062	204,718.77	c. APPLICABLE LOCAL TAXES			-
Senior Citizen Ins. Subsidy	1,927,672.00	kWh	0.0000	-	SUBTOTAL			-
Tax Recovery Adj Charge(TRAC)	1,927,672.00		0.0000	-	TOTAL GOVERNMENT TAXES			1,477,239.83
SUBTOTAL				204,718.77	IV. TOTAL CURRENT BILL			15,546,365.53
g. UNIVERSAL CHARGE					V. PREVIOUS BALANCE			
Missionary	1,927,672.00	kWh	0.1180	227,465.30	VI. TOTAL BILL			15,546,365.53
Environmental Fund	1,927,672.00	kWh	0.0025	4,819.18				
NPC Stranded Contract Cost	1,927,672.00	kWh	0.1938	373,582.83				
NPC Stranded Debt	1,927,672.00	kWh	0.0000	-				
DU Stranded Contract Cost	1,927,672.00	kWh	0.0000	-				
Equalization of Taxes & Royalties	1,927,672.00	kWh	0.0000	-				
SUBTOTAL				605,867.31				

Billing Components

Single Billing Policy reflects one consolidated bill from the RES. The RES is responsible for contracting with other service providers to ensure conveyance of electricity from the plant to the end-user.

- Generation Charge/Supply Charge represents RES revenue
- Distribution Wheeling Service Charge (DWS) represents regulated charges for the conveyance of energy from Transmission Lines to Distribution Lines
- RES does not apply additional charges on top of DWS
- RES pays VAT for DWS charges of PEZA / VAT-zero rated accounts

CURRENT TAX IMPLICATIONS RES / LRES TRANSACTIONS

Single Billing Policy

- GenCo bills RES every 25th of the month, following the WESM cycle
- DU bills RES for DWS charges 5 days after meter reading (billing period may vary depending on contract)
- RES bills CC for RES charge and DWS charges (SINGLE BILLING)
- RES pays DWS charges (due from CC in advance to DU within 12 days from receipt of billing, excluding EWT)
- CC pays RES the RES charge and DWS 15-20 days from receipt of RES bill and 30 days from meter reading

Assume billing period May 26 to June 25

Impact

June 25 - GenCo bills RES

GROSS RECEIPTS OF RES/LRES
pass thru/DWS are included

June 30 - DU bills RES for DWS

DOCUMENTATION/REPORTING
OF TAXES
EWT on DWS advanced by RES
VAT on DWS (under govt tax)

Between July 01 to July 05 -
RES bills CC for RES charge and DWS

Between June 30 to July 11 -
RES advances payment of DWS to DU less EWT

ECOZONE-REGISTERED CCs
DU bills RES DWS with VAT but
RES cannot collect VAT fr. CC

July 25 - CC pays RES the RES charge and DWS

INDUSTRY UPDATE

RESA Activities on Billing and Settlement

- Coordination with Bureau of Internal Revenue (BIR), Energy Regulatory Commission (ERC), Department of Energy (DOE) and Philippine Economic Zone Authority (PEZA)
- Clarity on “pass-thru” charges
- Application of taxes for PEZA / VAT-zero rated accounts being clarified
- Possibility of “dual billing” floated

Thank You