

**[ ERC RESOLUTION NO. 22, S. 2013, November 25, 2013 ]**

**RESOLUTION ADOPTING AMENDMENTS TO ARTICLES I, II AND III OF THE REVISED RULES FOR THE ISSUANCE OF LICENSES TO RETAIL ELECTRICITY SUPPLIERS**

**WHEREAS**, on January 17, 2011, the Energy Regulatory Commission (ERC) promulgated Resolution No. 1, Series of 2011, entitled Adopting the Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers (Rules for Issuance of RES Licenses), which aims to establish the standards and requirements for entities seeking to be authorized by the ERC to sell, broker, market or aggregate electricity to End-users;

**WHEREAS**, taking into consideration the issues and concerns of the Contestable Customers on the difficulties they encountered in getting fixed offers from RES, and the unavailable capacity of the RES and the generation companies, the ERC recognized the need to amend the Rules for Issuance of RES Licenses and provide necessary regulatory interventions in the initial implementation of open access and retail competition to ensure the smooth implementation of the competitive retail electricity market;

**WHEREAS**, the ERC is mandated to ensure that there is no abuse of market power and conflicts of interest by market participants and that there is compliance with the rules set to protect consumers;

**WHEREAS**, there is a need for ERC to exercise its regulatory authority and ensure that the retail market operates as it was intended by the Electric Power Industry Reform Act;

**WHEREAS**, on August 5, 2013, the ERC posted for comments the proposed Resolution Adopting Policies during the Transitory Period of Open Access and Retail Competition and Amending the Pertinent Provisions of Resolution No. 01, Series of 2011 (A Resolution Adopting the Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers) as a Result Thereof;

**WHEREAS**, after a careful consideration of the various comments submitted by interested parties and the various views expressed by the electric power industry participants during the public consultation on September 4, 2013, the ERC deems it appropriate to adopt amendments to the Rules for the Issuance of RES Licenses;

**NOW THEREFORE**, pursuant to its mandate to promote competition and protect consumer interests, the ERC hereby resolves to adopt amendments to pertinent provisions to the Rules for the Issuance of RES Licenses, hereinafter referred to as the Amended Rules for the Issuance of Licenses to Retail Electricity Suppliers and hereto attached as "Annex A".

Let copies of this Resolution be furnished all parties concerned and the University of the Philippines Law Center - Office of the National Administrative Register (UPLC-ONAR), all the licensed Retail Electricity Suppliers and all the Distribution Utilities.

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

Pasig City, November 25, 2013.

(SGD) ZENAIDA G. CRUZ-DUCUT  
*Chairperson*

(SGD) ALFREDO J. NON  
*Commissioner*

(SGD) GLORIA VICTORIA C.  
YAP-TARUC  
*Commissioner*

(SGD) JOSEFINA PATRICIA A. MAGPALE-ASIRIT  
*Commissioner*

### **"Annex A"**

#### **Amendments to Articles I, II, and III of the Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers**

Pursuant to the provisions of Republic Act No. 9136, otherwise known as the Electric Power Industry Act, the Energy Regulatory Commission hereby promulgates the amendments to the Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers.

**Section 1.** The following provisions of the Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers (RES) are hereby amended to include the following provisions:

#### **ARTICLE I GENERAL PROVISIONS**

##### **Section 4. Scope**

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Any of the following:

- a. A Generation Company or Affiliate thereof;
- b. An Affiliate of a DU with respect to the Contestable Customers within or outside its franchise area;
- c. An Independent Power Producer (IPPA) Administrator; and
- d. Any other Person, intending to engage in the selling, brokering or marketing of electricity to the Contestable Market, consistent with the Act and its Implementing Rules and Regulation.

However, during the transition period, or until such time as the ERC shall deem appropriate considering market conditions: