

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

**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE FEED-IN
TARIFF ALLOWANCE FOR
CALENDAR YEAR 2016
PURSUANT TO THE
GUIDELINES FOR THE
COLLECTION OF THE FEED-
IN TARIFF ALLOWANCE AND
DISBURSEMENT OF THE
FEED-IN TARIFF
ALLOWANCE FUND, WITH
PRAYER FOR PROVISIONAL
AUTHORITY**

ERC CASE NO. 2015-216 RC

**NATIONAL TRANSMISSION
CORPORATION,**

Applicant.

X ----- X

D O C K E T E D
Date: MAR 17 2016
By: [Signature]

ORDER

In the discharge of its function as Fund Administrator of the Feed-In Tariff Allowance (FIT-All), as designated by the Commission, Applicant National Transmission Corporation (TRANSCO) filed on 22 December 2015 an application for approval of the FIT-All for calendar year 2016, pursuant to the guidelines for the collection of the FIT-All and disbursement of the FIT-All fund, with prayer for provisional authority.

The FIT-All is a uniform charge (in PhP/kWh) billed to all on-grid electricity consumers who are supplied with electricity through the distribution or transmission network.

In its application, TRANSCO alleged, among others, the following:

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BACKGROUND

1. Applicant TRANSCO is a government instrumentality created pursuant to Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), with principal office address at TRANSCO Main Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, where it may be served with summons and other processes of this Honorable Commission.
2. On 16 December 2008, Republic Act No. 9513, entitled *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes* (RE Law), was enacted to: (1) accelerate the exploration and development of renewable energy resources to achieve energy self-reliance by reducing the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets; (2) increase the utilization of renewable energy by providing fiscal and non-fiscal incentives; (3) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and the environment; and (4) establish the necessary infrastructure and mechanism to carry out the mandates specified in the Act and other existing laws.
3. To achieve these State policies, Section 7 of the RE Law mandates the establishment of a Feed-in Tariff System (FIT System) for electricity produced from wind, solar, ocean, run-of-river hydropower, and biomass.
4. The Energy Regulatory Commission (ERC), in consultation with the National Renewable Energy Board (NREB), formulated the FIT System rules, which include: (a) priority connection to the grid for electricity generated from emerging renewable energy resources within the territory of the Philippines; (b) priority purchase and transmission of and payment for such electricity; (c) determination of the fixed tariff to be paid to electricity produced from each type of emerging renewable energy and the mandated number of years for the application of these rates; and (d) the application of the FIT to the emerging renewable energy used in compliance with the renewable portfolio standard.

