

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
YEARS 2014 AND 2015
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. 2014-109 RC

NATIONAL TRANSMISSION
CORPORATION (TRANSCO),
Applicant.

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DOCKETED
Date: OCT 28 2014
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ORDER

In the discharge of its function as Fund Administrator of the Feed-In Tariff Allowance (FIT-All), as designated by the Commission, on July 30, 2014, the National Transmission Corporation (TRANSCO) filed an application for approval of the FIT-All for calendar years (CYs) 2014 and 2015 calculated based on the Commission's "Guidelines for the Collection of the Feed-In Tariff Allowance and Disbursement of the Feed-In Tariff Allowance Fund". In its application, TRANSCO sought the issuance of a provisional authority for the imposition of its proposed FIT-All rate.

The FIT-All is a uniform charge akin to the Universal Charge that is to be imposed on all On-Grid electricity consumers who are supplied with electricity through the distribution or transmission network. The FIT-All is essential to the implementation of the FIT System as established under Section 7 of Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Law). The FIT-All will ensure that the Renewable Energy Developers

participating under the FIT System will be paid in full for their actual electricity generation based on the fixed tariff approved for them.

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

PREFATORY STATEMENT

1. It 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;
2. On December 16, 2008, the RE Law, entitled "An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for other purposes" was enacted to: (a) 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; (b) increase the utilization of renewable energy by providing fiscal and non-fiscal incentives; (c) 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 (e) 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 FIT System for electricity produced from wind, solar, ocean, run-of-river hydropower and biomass;
4. Towards this end, the Commission, in consultation with the National Renewable Energy Board (NREB), was tasked to formulate the FIT System Rules, which shall include: (a) priority connection to the grid for electricity generated from emerging renewable energy resources