



2016 - 01 - 383  
'16 JAN 28 P1:22

RECEIVED BY: TSA  
27 January 2016

**MS. MELINDA L. OCAMPO**

President

Philippine Electricity Market Corporation (PEMC)  
Robinsons-Equitable Tower, ADB Avenue cor. Poveda St.,  
Ortigas Center, Pasig City

**MR. GENEROSO M. SENAL**

Officer-in-Charge

National Transmission Corporation (TransCo)  
Power Center, Quezon Ave. cor. BIR Road,  
Diliman, Quezon City

**Dear President Ocampo and Mr. Senal:**

This is to clarify the “Metering Point” issue under Section 3.4 of the Feed-in Tariff Allowance (FIT-All) Guidelines which was raised in your letters dated 13 October 2015 and 22 September 2015, copies of which were furnished to the Energy Regulatory Commission (ERC). The particular issue raised is whether or not the “Metering Point” can be located at a distance from the “Connection Point”.

The Philippine Grid Code (PGC) provides that the “Metering Point” **shall** be as close as possible to the “Connection Point”. Section 3.4 of the FIT-All Guidelines should, therefore, be interpreted in conjunction with the general provisions in the PGC. If for justifiable reasons it is not possible to locate the “Metering Point” as close as possible to the “Connection Point”, the PGC provides that an adjustment procedure to account for losses shall be established. The pertinent provisions of the PGC state:

*“Section 8.2.3.1. Active Energy and Demand Revenue Metering shall be required at every Connection Point. The Metering Point shall be as close as possible to the Connection Point, otherwise a procedure shall be established to adjust Energy loss between the metering point and the Connection Point.”*

*“Section 8.2.4.1. Reactive Energy and Demand Revenue Metering shall be required at every Connection Point. The Metering Point shall be as close as possible to the Connection Point, otherwise a procedure shall be established to adjust Energy loss between the metering point and the Connection Point.”*

The general rule, as reflected in the foregoing PGC provisions is to avoid, as much as possible, any adjustments resulting from losses due to the location of the Metering Point. This is due to that fact that adjustments for energy losses will only be estimates as it is only the meter that can give accurate data. Any inaccuracy will result in energy imbalance in the market settlement. As such, it is to the interest of all electricity end-users that the Metering Point be located at the Connection Point to avoid any error or dispute resulting from adjustments. //

We hope that we have clarified any confusion in the interpretation of Section 3.4 of the FIT-All Guidelines.

Very truly yours,

  
**JOSE VICENTE B. SALAZAR**  
*Chairman and CEO*

**ERC**  
*Office of the Chairman*



A2016-027-OC-00280

Cc:  
Mr. Pete Maniego  
Chairman, National Renewable Energy Board (NREB)

Mr. Henry T. Sy, Jr.  
President & CEO, National Grid Corporation of the Philippines (NGCP)

Mr. Arthur T. Evangelista  
Chairperson, Grid Management Committee