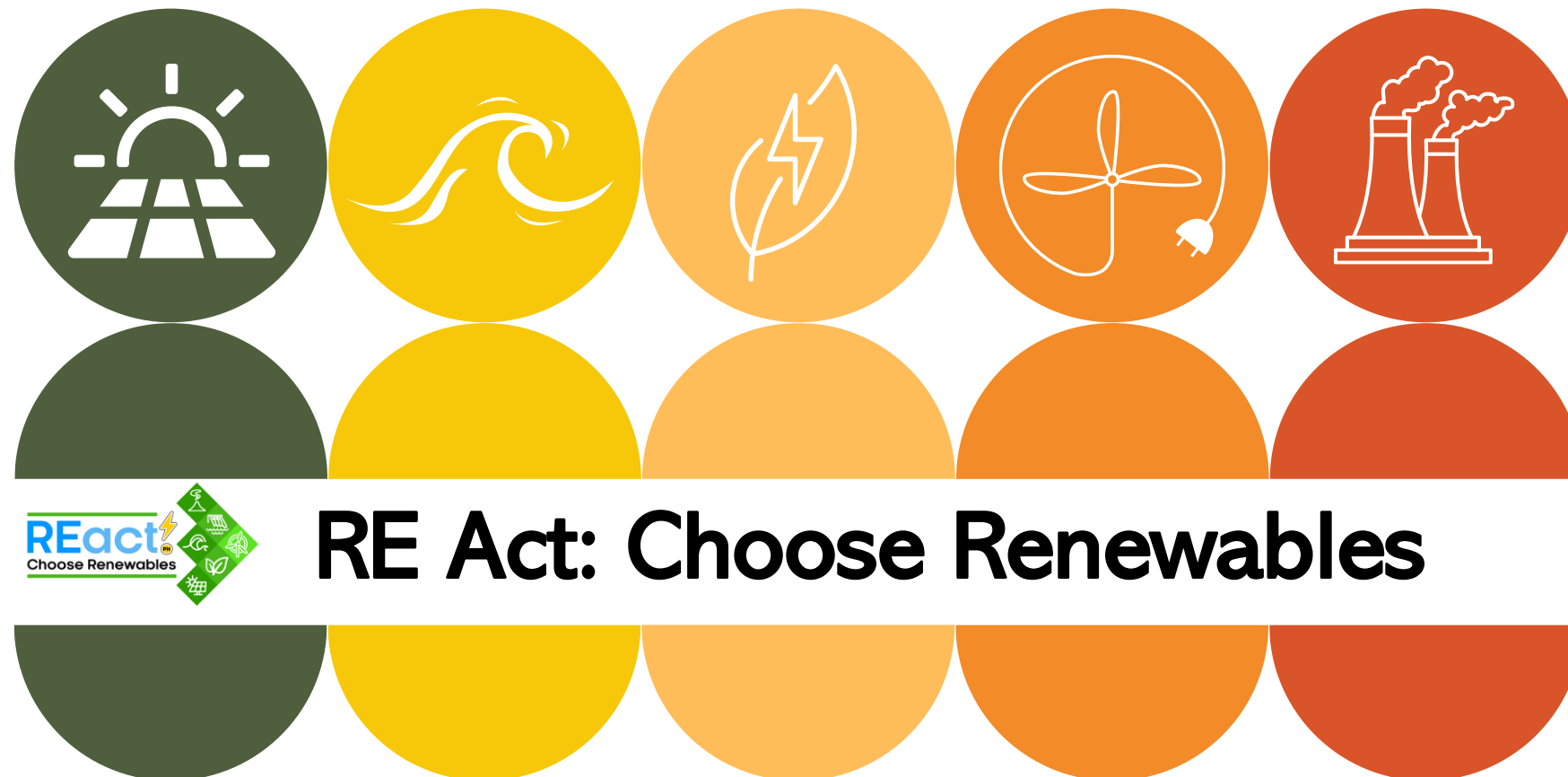




Department of Energy

GREEN ENERGY AUCTION PROGRAM



Presented By:
MYLENE C CAPONGCOL
Assistant Secretary

2023 VISAYAS INVESTMENT FORUM
27 April 2023 / Cebu City

Presentation Outline

1. Green Energy Auction Program Overview

2. GEA – 1 Highlights

3. GEA – 2 Preparations and Timelines

4. GEA – 3 Plans

"In pursuit of energy security
and sustainable future"



Green Energy Auction Program



Overview

Principles and Objectives

Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines” or the GEAP Guidelines”

Department Circular No. DC2021-11-0036

Date Signed: 03 November 2021

Effectivity Date: 04 December 2021



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC 2021- 11-0036

PROVIDING THE REVISED GUIDELINES FOR THE
GREEN ENERGY AUCTION PROGRAM IN THE PHILIPPINES



Republic of the Philippines
DEPARTMENT OF ENERGY
DOE-AGC-21006336

Alfonso G. Cusi
ALFONSO G. CUSI
Secretary

Issued on NOV 03 2021 at the Department of Energy, Energy
Center, Merritt Road, Fort Bonifacio, Taguig City, Metro Manila.

1. Promote the growth of RE as one of the country’s primary sources of energy to achieve energy security and self-reliance;
2. Implement the RE Act mandate to prioritize the connection and building of RE capacity;
3. Ensure transparent and competitive selection of RE facilities to achieve reasonable rates and encourage, as far as practicable, the best RE entrants in the system;
4. Support energy security by adding new capacities to the grid thereby ensuring an adequate and sustainable supply of electricity, especially in the short- to medium-term;
5. Address price volatility related to the procurement and pricing of RE Certificates by increasing the availability of RECs in the RE Market;
6. Enhance the RE programs, in general, by promoting a competitive setting of rates for RE supply in the country;
7. Assist the Mandated Participants of the RPS Program by increasing the allocation of RECs generated from the GEAP; and
8. Ensure the utilization of efficient RE technologies for low carbon shift in the energy sectors;



DEPARTMENT OF ENERGY
Empowering the Filipinos



GEAP Qualified Suppliers/ Offers

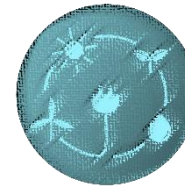


RE Developers or Generators registered with the DOE.



RE facilities built after the RE Act;

Have no legal impediment i.e., PPA/PSA with DU at the time of the agreed delivery date/s;



Legacy RE facilities insofar as the capacities resulting from expansion or upgrading, may be offered under the GEA, However, such capacity has its own (or independent) metering facility.



The incremental or additional capacity and corresponding power generation brought about by the expansion or upgrading of the legacy plants shall be deemed eligible for RPS compliance by the Mandated Participants.



Geothermal and Impounding Hydro facilities shall be governed by a specific auction policy and guidelines or a separate remuneration package under the GEA.

Other emerging RE technologies may be included in the GEAP and the FIT, consistent with the RE Act, as determined by the DOE.



GEAP Other Salient Features



Schedule or Frequency of Auction

Annually or as deemed necessary by DOE



Compensation/ Payment Scheme

Adopted the FIT-All Payment System except FIT Rates.



Compliance with DOE/ERC Policy/Rules on CSP

Considered acceptable form of compliance with the Competitive Selection Process (CSP) Policy, including the Opt-In Mechanism for DUs.



Set Price Cap for CSPs

The GET of the marginal plant per technology shall serve as the price ceiling for the power supply agreement of a DU undertaking a separate CSP for its compliance under the RPS.



Compliance with RPS Mandates

The volume of RE generated and the corresponding RECs shall be eligible for compliance by the Mandated Participants with the RPS;

Shall be distributed, pro rata, among the Mandated Participants based on their payment to the FIT-All.





GEA - 1 Highlights

**The First Auction Round (GEA-1)
was conducted on 17 June 2022**



**Eligible for RPS Compliance by Mandated
Participants; Centrally-Dispatch through the Grid**

**24 Qualified Bidders participated and competed
for the 2,000MW capacity requirement; 18
Winning Bidders – 1 Biomass, 7 Solar, 4 Wind,
and 6 Hydropower**

**Successfully generated 1,866.13 MW of New RE
capacities; to be delivered 2023 to 2025**

**Green Energy Tariff (GET) shall be in Php/kWh;
on a pay-as bid basis; per Lot-per Grid-per Tech;
20-Year Term**

**Conducted One-On-One Meeting
with the Winning Bidders on 05
April 2023**

**Conducted Post-Auction Assessment to improve
GEA-2 and succeeding Auction Rounds**





GEA - 2: Timelines, Issuances, and Updates

GEA-2: Timeline of Activities



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

ADVISORY

TO : ALL RE DEVELOPERS AND STAKEHOLDERS

DATE : 12 APRIL 2023

SUBJECT : SPECIFIC TIMELINE OF ACTIVITIES FOR THE CONDUCT OF THE SECOND GREEN ENERGY AUCTION (GEA-2)

Following the publication of Notice of Auction for the Second Green Energy Auction (GEA-2) Round on 27 March 2023, the DOE hereby specifies the schedule of activities under the GEA-2, as follows:

Activities	Timeline (D=Day)	Date
Publication of the Notice of Auction	D	27 March 2023
Release of Terms of Reference (TOR) and Auction Round Procedures (ARP)	D1 + 20	17 April 2023
Issuance of GEAR Price by ERC	D21 + 10	27 April 2023
Start of Registration of Qualified Suppliers	D31 + 7	03 May 2023
Last day of Registration of Qualified Suppliers	D38 + 10	12 May 2023
Evaluation of Qualified Suppliers*	D48 + 5	19 May 2023
Posting of Qualified Bidders*	D53 + 3	24 May 2023
Pre-Bid Conference for Qualified Bidders*	D56 + 3	29 May 2023
Conduct of Auction	D59 + 20	19 June 2023
Issuance of the Notice of Award*	D79 + 9	28 June 2023

* – Working Day

FOR INFORMATION AND GUIDANCE.


ROWENA CRISTINA L. GUEVARA, Ph.D.
 Undersecretary and Chairperson,
 Green Energy Auction Committee

Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig City, Philippines 1632
 Tel. Nos. (Trunkline) (632) 8479-2900;
 Website: <http://www.doe.gov.ph>; E-mail: info@doe.gov.ph



GEA – 2: Issuances

Republic of the Philippines
DEPARTMENT OF ENERGY
 (Kagawaran ng Enerhiya)

NOTICE OF AUCTION

Pursuant to Section 4.12 of Department Circular (DC) No. DC2021-11-0036, titled "Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines", the Department of Energy (DOE) through the Green Energy Auction Committee (GEAC) invites all Qualified Suppliers¹ to participate in the Second Green Energy Auction (GEA-2) for Renewable Energy (RE). GEA-2 shall cover the Luzon, Visayas and Mindanao with the following installation targets for delivery dates for the years 2024, 2025, and 2026²:

Item	Delivery Date
4. Start of Registration of Qualified Suppliers	D31 + 7
5. Last day of Registration of Qualified Suppliers	D38 + 10
6. Evaluation of Qualified Suppliers	D48 + 5
7. Posting of Qualified Bidders	D53 + 3
8. Pre-Bid Conference for Qualified Bidders	D56 + 3
9. Conduct of Auction	D59 + 20
10. Issuance of the Notice of Award	D79 + 9

The DOE reserves the right to accept or reject any bid and to annul the bidding process any time prior to the award without incurring any liability to the affected bidders or any obligation to inform the bidder/s.

For queries and clarification, please contact the Renewable Energy Management Bureau through telephone numbers 8840-2151, 8479-2900 local 338 or 415 or email at gea.2@doe.gov.ph.

RAPHAEL P.M. LOTILLA
 Secretary

MAR 20 2023

Notice of Auction

Date of Publication: 27 March 2023

BusinessWorld Newspaper

Indicates the Target Capacity and Estimated Timeline of Activities under GEA-2

The GEA-2 in the Philippines is set to be conducted on **19 June 2023**, with the proposed installation targets (in MW) from 2024-2026



GEA - 2: Installation Targets

RE Resource	2024 Installation Targets (in MW)		
	Luzon	Visayas	Mindanao
Ground-mounted Solar	1,420	325	280
Roof-mounted Solar	160	45	30
Onshore Wind	800	400	0
Biomass	20	100	20
Sub-total	2,400	870	330
Total	3,600		

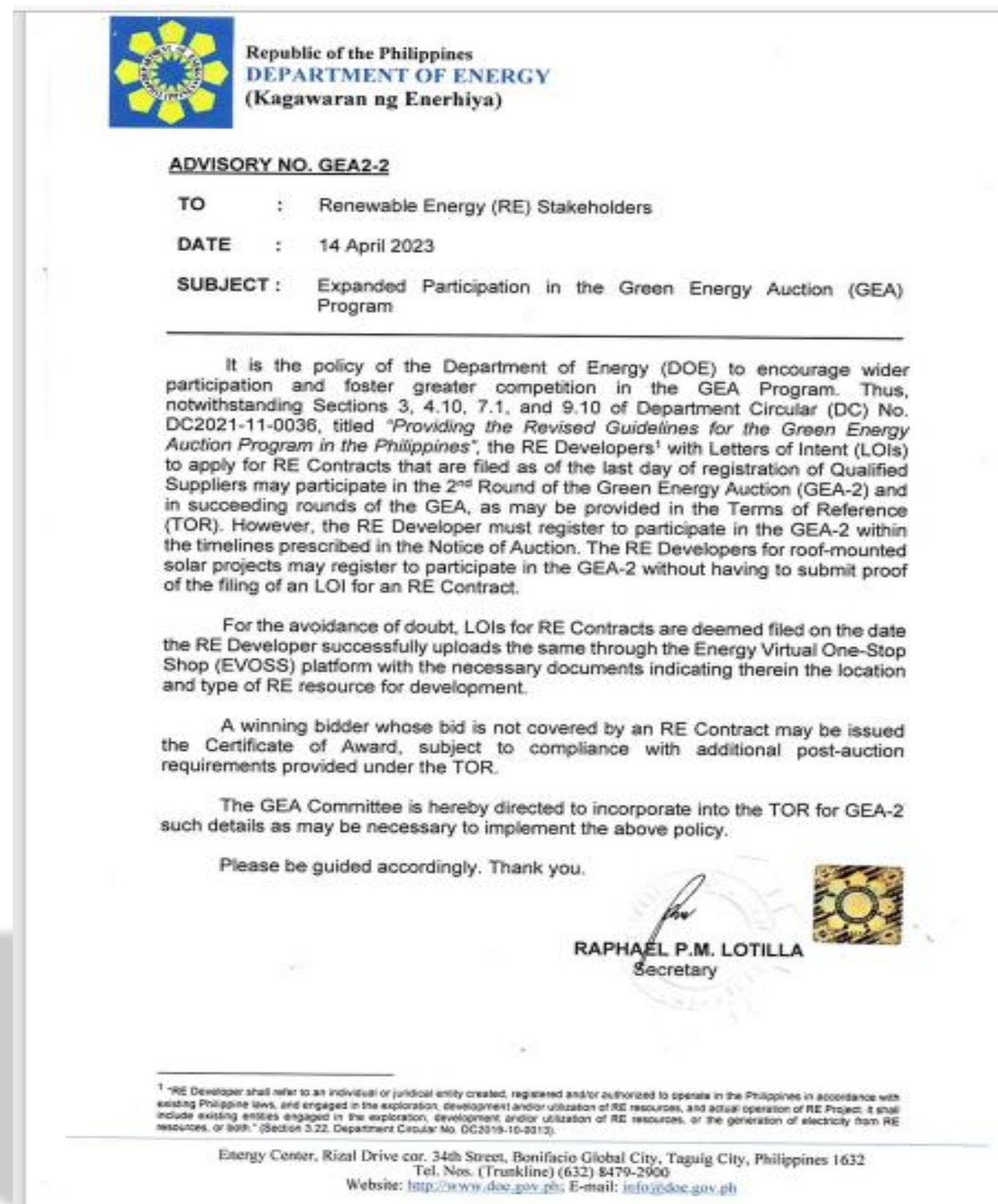
RE Resource	2025 Installation Targets (in MW)		
	Luzon	Visayas	Mindanao
Ground-mounted Solar	1,420	400	320
Roof-mounted Solar	200	30	30
Onshore Wind	700	470	0
Biomass	5	10	15
Sub-total	2,325	910	365
Total	3,600		

RE Resource	2026 Installation Targets (in MW)		
	Luzon	Visayas	Mindanao
Ground-mounted Solar	1,900	350	300
Floating Solar	300	0	0
Roof-mounted Solar	50	40	20
Onshore Wind	700	500	150
Biomass	10	25	25
Waste-to-Energy	30	0	0
Sub-total	2,990	905	495
Total	4,400		

Total Capacity: 11,600 MW



GEA – 2: Issuances/Updates



Advisory No. 2: Expanded Participation in the Green Energy Auction Program (14 April 2023)

RE Developers with filed LOIs as of the last day of registration may participate; No LOI requirements for roof-mounted PV Developers but both shall be subjected to post-auction requirements



GEA – 2: Issuances



Republic of the Philippines
DEPARTMENT OF ENERGY
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TERMS OF REFERENCE GREEN ENERGY AUCTION - 2

The Department of Energy (DOE), through the Green Energy Auction Committee (GEAC) and the Green Energy Auction – Bids Evaluation and Awards Committee (GEA-BEAC), issues this Terms of Reference (TOR) for the Green Energy Auction-2 (GEA-2) pursuant to Sections 9.3 and 9.5 of the Department Circular No. DC2021-11-0036, entitled "Providing the Revised Guidelines for the Green Energy Auction Program (GEAP) in the Philippines" (the "GEAP Guidelines").

This TOR includes the following annexes:

- Annex A: Auction Design
- Annex B: Bonds
 - B1: Bid Bond
 - B2: Performance Bond
 - B2.1: Irrevocable Standby Letter of Credit
 - B2.2: Form of Drawing Certificate
- Annex C: Instruction to Bidders
- Annex D: Bidding Data, Forms, and Templates
- Annex E: Available transmission capacity and location from 2024 – 2026

APPROVED / DISAPPROVED
RAPHAEAL P. M. LOTILLA
SECRETARY
DATE
APR 17 2023

The DOE shall issue **Terms of Reference** (TOR) for each auction round pursuant to Sections 9.3 of the Department Circular No. DC2021-11-0036 or the GEAP Guidelines

TOR Annexes:

- [ANNEX A: Auction Design](#)
- [ANNEX B: Bonds](#)
- [ANNEX C: Instruction to Bidders](#)
- [ANNEX D: Bidding Data, Forms, and Templates](#)
- [ANNEX E: Available Transmission Capacity and Location from 2024 to 2026](#)



GEA-2 TOR Innovations

20-Year Supply Contract. However, if will go beyond the RE Contract Term, may be extended for another 20 years.

Marginal Plant if exceeding the installation capacity, may be allowed up to **50% of its offered capacity.**





GEA - 3 Plans

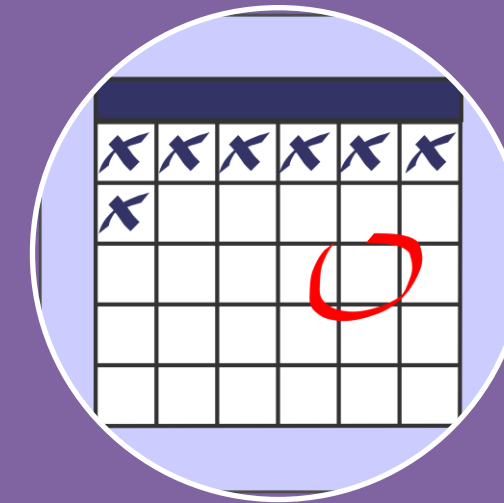
Planned GEA - 3



The DOE will develop a specific auction policy and guidelines for geothermal and impounding hydro.



The DOE will issue a policy on the settlement of payment through WESM for non-FIT projects (i.e., geothermal, and impounding hydro).



The GEA-3 is targeted to be conducted in the 4th quarter of 2023.

Note: Possible inclusion of ROR Hydro and Pumped-Hydro Systems



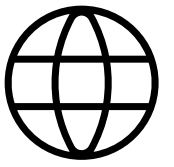
Thank you!



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