



# **Market Surveillance Committee Quarterly Retail Market Assessment Report**

---

**26 June to 25 September 2020**

**NOVEMBER 2020**

This Report is prepared by the  
Philippine Electricity Market Corporation –  
Market Assessment for the  
Market Surveillance Committee

## Table of Contents

<b>1.0 MARKET STRUCTURE.....</b>	<b>5</b>
1.1 Number of Participants .....	5
1.1.1 Contestable Customers.....	5
1.1.2 Suppliers .....	9
1.2 Market Share .....	9
1.2.1 Market Share of Supplier.....	9
1.2.2 Herfindahl–Hirschman Index (HHI).....	13
1.2.3 Four-Firm Concentration Index (C4).....	14
1.2.4 Supplier Structure .....	15
<b>2.0 MARKET PERFORMANCE.....</b>	<b>15</b>
2.1 Total Energy Consumption .....	15
2.2 Hourly Energy Consumption Profile of Registered Contestable Customers .....	17
2.3 Load Factor .....	18
<b>3.0 RETAIL ACTIVITY.....</b>	<b>19</b>
3.1 Customer Participation Level .....	19
3.2 Customer Switching Rate .....	20
<b>4.0 RECENT RCOA MARKET ACTIVITIES .....</b>	<b>20</b>
<b>APPENDICES.....</b>	<b>22</b>

## List of Tables and Figures

Figure 1. Cumulative Number of CCs, Sep 2019 to Sep 2020.....	5
Figure 2. Cumulative Number of CCs Per Contestability Threshold, Sep 2019 to Sep 2020 ..	6
Figure 3. Cumulative Number of CCs Per Region, Sep 2019 to Sep 2020 .....	7
Figure 4. Cumulative Number of CCs Per Retail Activity, Sep 2019 to Sep 2020 .....	8
Figure 5. Share in Number of CCs Per Major Participant, Sep 2019 to Sep 2020 .....	12
Figure 6. Share in Total Energy Consumption of CCs Per Major Participant, 2019-Q3 to 2020-Q3.....	12
Figure 7. (a) Energy Consumption of CCs by Franchise Area, 2020-Q3; (b) Energy Consumption by Supplier within MERALCO Franchise Area, 2020-Q3 .....	13
Figure 8. HHI Values Based on Number of CCs and CC Consumption, 2019-Q3 to 2020-Q3 .....	14
Figure 9. Four-Firm Index, 2019-Q3 to 2020-Q3 .....	14
Figure 10. Total Energy Consumption (in GWh), 2019-Q3 to 2020-Q3 .....	16
Figure 11. Total Energy Consumption of CC by Industry Type (in GWh) Jan to Sep 2020 ..	16
Figure 12. Hourly Average Energy Consumption (in MWh), Industrial CCs, Apr to Sep 2020 .....	17
Figure 13. Hourly Average Energy Consumption (in MWh), Commercial CCs, Apr to Sep 2020.....	18
Figure 14. CC Load Factor, Jul 2019 to Sep 2020 .....	19
Figure 15. Percentage of CCs Per Industry Type, Sep 2019 to Sep 2020 .....	19
Table 1. Percentage of CCs Per Level of Average Energy Consumption, 2020-Q2 .....	8
Table 2. Summary of Active Suppliers Per Category, as of 25 June 2020.....	9
Table 3. Cumulative Number of CCs Per Supplier, Sep 2019 to Sep 2020 .....	9
Table 4. Summary of Suppliers with Affiliate Generation Companies, Suppliers and Distribution Utilities .....	15
Table 5. Customer Switching Rate .....	20

## Executive Summary

This Quarterly Assessment Report on the Retail Electricity Market covers the billing period **26 June to 25 September 2020**.

Based on the data of the Energy Regulatory Commission (ERC), there were a total of 2,095 qualified electricity end-users already issued with the ERC's Certificate of Contestability. Of these, 1,479 contestable customers or about 71% are registered in the market as of the billing month of September 2020 accounting for the additional 24 Contestable Customers registration this quarter.

In terms of contestability threshold, the market recorded 1,122 registrants or about 76% of the total registered Contestable Customers in the 1 megawatt (MW) and above contestability threshold. The remaining 357 registrants or about 24% were classified under 750-999 kilowatt (kW) contestability threshold. In terms of location, 1,326 Contestable Customers or about 90% of the registered Contestable Customers are in Luzon region while the remaining 153 Contestable Customers or 10% are in Visayas. With regard to the nature of business<sup>1</sup>, 780 registered Contestable Customers or about 53% were engaged in commercial activities while 699 registrants or about 47% were engaged in industrial activities.

Energy consumption of the registered Contestable Customers for the 3<sup>rd</sup> quarter of 2020 resulted to a monthly average of about 1,532 GWh which comprises 22% of the average total energy consumption of the system. Despite continuous implementation of the community quarantine as part of the government's fight against the Corona Virus 2019 Pandemic (COVID-19 Pandemic), the energy consumption of the Contestable Customers has gradually normalized during the quarter in review. Meanwhile, the Captive Customers' share on the total energy consumption has likewise increased driven by the work-from-home scheme by many businesses and government agencies and the conduct of online classes by most educational institutions.

It was also noted throughout the period that the load factor of registered Contestable Customers remained relatively high. While high load factor reflects a generally efficient electricity usage by registered Contestable Customers<sup>2</sup>, low load factor may present opportunities for contestable customers to strategize hourly energy use and/or shift operation to maximize low prices in the WESM. From the Retail Electricity Supplier (RES) side, determination of the load factor and load profile are crucial in creating a tailor-fit

---

<sup>1</sup> Retail activity is based on the available information provided under the specific business type, i.e. manufacturing, real estate, etc., in the IEMOP-Registration Data. If information is unavailable in the Registration Data, retail activity of the participant will be tagged based on the business description available online.

<sup>2</sup> Dr. C.R. Bayliss CEng FIET, B.J. Hardy CEng FIET, in Transmission and Distribution Electrical Engineering (Fourth Edition), 2012

contract with Contestable Customers. It likewise affects the resulting offered electricity rates for certain consumers.

By the end of September 2020 billing month, about 39% of the consumption of all registrants were supplied by the MERALCO group. This was followed by the Aboitiz group and the San Miguel group at about 21% and 19% share, respectively, then by the Ayala group at about 9% share. The participation of new Suppliers, the initial switches by new Contestable Customers, and the switching of already registered Contestable Customers were all factors in the change of participant share for this quarter as compared to the previous.

Accordingly, the Herfindahl-Hirschman Index (HHI) for the suppliers' segment of the market, per ERC's major participants grouping, yielded a concentrated market.

Of the 114 Suppliers with license and authorization from ERC, only 72 Suppliers are registered in the retail market. There were no new Suppliers that registered in the market for the period in review and thus retained the figures of 33 total registered RES, 14 registered Local RES (LRES), and 25 registered Supplier of Last Resort (SOLR).

During the subject period, 54 customer switches were recorded of which, nine (9) were from LRES to RES and forty-six (46) were from RES to another RES.

As regards enhancements to the market, the ERC had recently issued the proposed implementation of lowering the market thresholds for the RCOA market<sup>3</sup>. Said plan aims to have a full roll-out on 26 January 2023. Relatedly, the MSC also undertook a series of dialogues with the RCOA market stakeholders to discuss on issues and possible ways forward.

---

<sup>3</sup> <https://erc.gov.ph/ContentPage/62138>

This Quarterly Assessment Report on the Retail Electricity Market discusses the results of the monitoring indices, as set forth in the Catalogue of Retail Market Monitoring Data and Indices. This report also provides indications of the performance of the retail market during the quarter and how it fared against previous periods. Moreover, the report only covers Suppliers and Contestable Customers registered in the market and does not include other qualified Suppliers with license and/or authorizations from ERC and end-users with a Certificate of Contestability but nonetheless remained Captive<sup>4</sup> Customers.

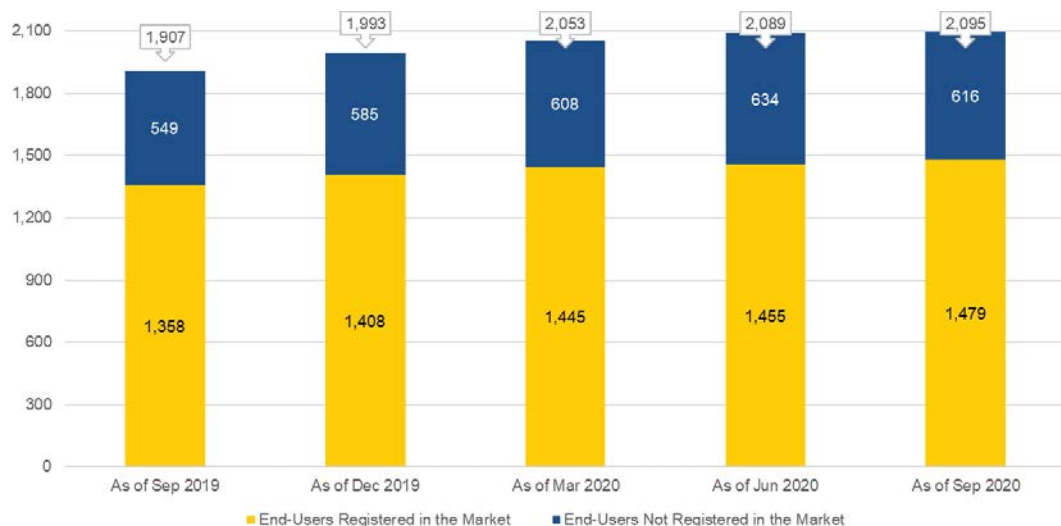
## 1.0 MARKET STRUCTURE

The market structure indices were used to determine the number of players, market share, and level of market concentration.

### 1.1 Number of Participants

#### 1.1.1 Contestable Customers

Over the billing quarter in review, 24 additional Contestable Customers participated in the market, demonstrating an increase from figures of the 2<sup>nd</sup> quarter of 2020 and a steady upward trend since 2019 as shown in **Figure 1**. The total registry of Contestable Customers was at 1,479 or about 71% of the entire population of qualified end-users with a certificate of contestability<sup>5</sup> by the end of the 3<sup>rd</sup> quarter of 2020. On the other hand, there were additional 6 consumers that were issued with Certificate of Contestability by the ERC as compared with the previous quarter.



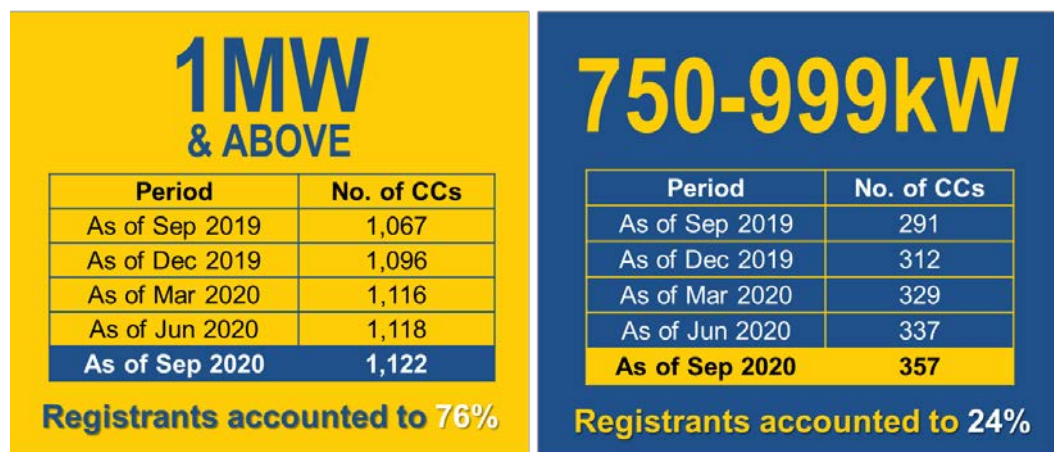
**Figure 1. Cumulative Number of CCs, Sep 2019 to Sep 2020**

<sup>4</sup> Captive Customer consumption for this purpose is the energy consumption of customers of Private Distribution Utilities (PDU) and Electric Cooperatives (EC), as well as other consumption associated Directly-Connected Customers (DCC), Network Services Providers (NSP), Kalayaan pumping and other generator-related consumption.

<sup>5</sup> A total of 2,095 qualified end-users as of September 2020 (Source: ERC's Competitive Retail Electricity Market (CREM) Report; Link: [www.buyourelectricity.com.ph](http://www.buyourelectricity.com.ph)).

**Figure 2** shows the cumulative number of registrants per contestability threshold by the end of each relevant quarter. Out of the total registered Contestable Customers, 1,122 or 76% were registered in 1MW and above thresholds. Meanwhile, the remaining 357 or 24% belonged to the 750-999kW threshold.

Despite the ongoing imposition of the Supreme Court's temporary restraining order (TRO), dated February 2017, which puts halt on the implementation of ERC issuances<sup>6</sup> that provide rules and regulations implementing the Retail Competition and Open Access (RCOA), as well as the Department of Energy (DOE) circulars<sup>7</sup> defining the latest timeline of RCOA at that time, it can be observed that the voluntary registration of Contestable Customers has continually increased throughout the comparative quarters.

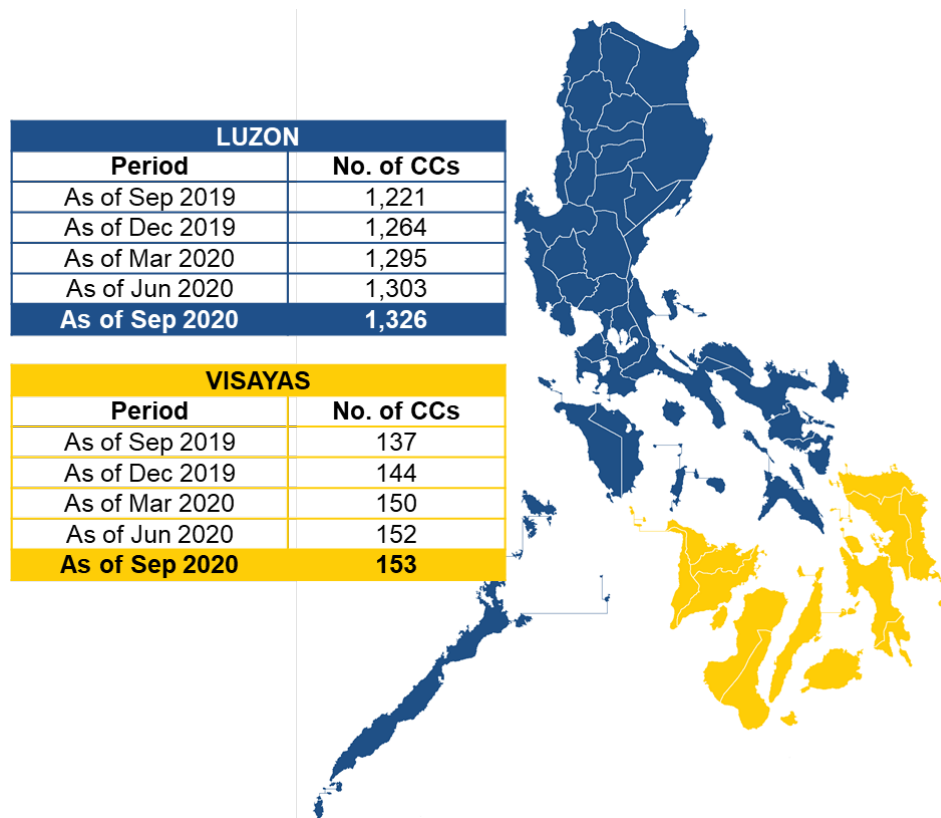


**Figure 2. Cumulative Number of CCs Per Contestability Threshold, Sep 2019 to Sep 2020**

With regard to location, 90% of Contestable Customers or 1,326 Contestable Customers were located in Luzon while the remaining 10% or 153 Contestable Customers were located in Visayas as shown in **Figure 3**, denoting the concentration of the Contestable Customers in Luzon.

<sup>6</sup> [ERC Resolution Nos. 05, 10, 11 and 12](#), all series of 2016

<sup>7</sup> [DOE Department Circular DC2015-06-0010](#)



**Figure 3. Cumulative Number of CCs Per Region, Sep 2019 to Sep 2020**

Meanwhile, **Figure 4** shows the cumulative number of registered Contestable Customers per type of retail activity<sup>8</sup> by the end of each relevant quarter. About 53% or 780 Contestable Customers were within the commercial sector while the other 47% or 699 Contestable Customers were engaged in industrial activities.

<sup>8</sup> Retail activity is based on the available information provided under the specific business type, i.e. manufacturing, real estate, etc., in the IEMOP-Registration Data. If information is unavailable in the Registration Data, retail activity of the participant will be tagged based on the business description available online.





**Figure 4. Cumulative Number of CCs Per Retail Activity, Sep 2019 to Sep 2020**

With respect to the energy consumption in the retail market, **Table 1** shows the breakdown of registered Contestable Customers by level of consumption based on the averaged metered quantity (MQ) for the 3<sup>rd</sup> quarter of 2020. About 67.2% of the registered Contestable Customers had average energy consumption of 1MWh and below. This is followed by customers that are in the 1MWh to 5MWh threshold taking about 28.5% of the total number, while 2.4% are in the 5MWh to 10MWh level. The rest of the contestable customers belonged to average consumption of 10MWh to 50 MWh. So far, there were no contestable customers that had an average energy consumption above 50MWh during the period covered for reporting.

**Table 1. Percentage of CCs Per Level of Average Energy Consumption, 2020-Q3**

Region	1 MWh and below	Above 1 MWh to 5 MWh	Above 5 MWh to 10 MWh	Above 10 MWh to 15 MWh	Above 15 MWh to 20 MWh	Above 20 MWh to 50 MWh	Sub-Total Per Region
LUZON	58.8%	26.9%	2.3%	0.7%	0.6%	0.3%	89.7%
VISAYAS	8.4%	1.6%	0.1%	0.0%	0.1%	0.1%	10.3%
<b>Sub-Total Per Level of Average Consumption</b>	<b>67.2%</b>	<b>28.5%</b>	<b>2.4%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>100.0%</b>

## 1.1.2 Suppliers

**Table 2** shows the cumulative number of Suppliers with License from ERC vis-à-vis registered Suppliers per category vis-à-vis the number of active Suppliers or those that are currently serving a registered Contestable Customer. Majority of the registered Retail Electricity Suppliers were actively participating in the market and serving registered Contestable Customers.

**Table 2. Summary of Active Suppliers Per Category, as of 25 June 2020**

Category	No. of Suppliers		
	With License / Authority	Total Registered	With CCs Served
Retail Electricity Supplier	42	33	31
Local Retail Electricity Supplier	25	14	4
Supplier of Last Resort	47	25	0
<b>Total</b>	<b>114</b>	<b>72</b>	<b>35</b>

The complete list of all registered Suppliers per category is provided in Appendix A. *List of Suppliers Per Category, as of 25 September 2020*

## 1.2 Market Share

### 1.2.1 Market Share of Supplier

**Table 3** shows the cumulative number of registered Contestable Customers served by each Supplier at the end of each relevant quarter. The Suppliers were grouped based on the ERC's major participant grouping<sup>9</sup> which reflects the affiliation among the Suppliers.

MRLCOLRE, AESIRES, ACERES, SMCCPCRES and ADVENTRES were the top five (5) Suppliers with the most number of served registered Contestable Customers by the end of the quarter in review (highlighted in **Table 3**). As compared with the 2<sup>nd</sup> quarter of 2020, SMCCPCRES showed the highest increases in the number of enrolled Contestable Customers.

**Table 3. Cumulative Number of CCs Per Supplier, Sep 2019 to Sep 2020**

Market Participant Group	As of Sep 2019	As of Dec 2019	As of Mar 2020	As of Jun 2020	As of Sep 2020
<b>Aboitiz Group</b>	<b>328</b>	<b>340</b>	<b>343</b>	<b>343</b>	<b>342</b>
<i>ADVENTRES</i>	67	68	62	61	59
<i>AESIRES</i>	186	194	203	205	202

<sup>9</sup> Major participant grouping is based on ERC's Competitive Retail Electricity Market (CREM) Report.

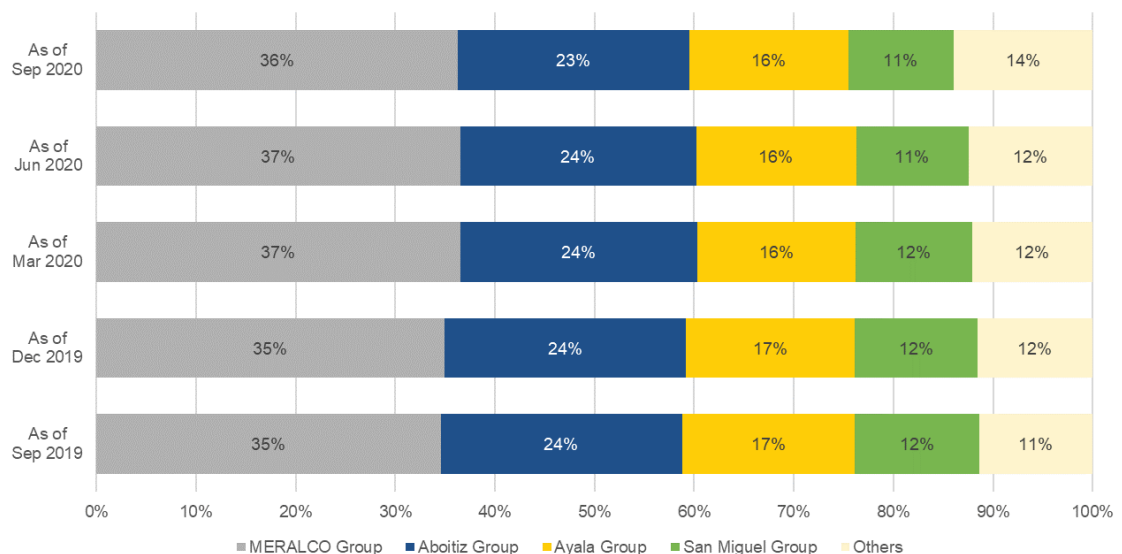
Market Participant Group	As of Sep 2019	As of Dec 2019	As of Mar 2020	As of Jun 2020	As of Sep 2020
MACRES	3	3	2	2	2
PRISMRES	40	43	43	41	41
SEZLRE					
SFELAPLRE	1	1	1	1	1
SNAPRES	31	31	32	33	37
<b>Ayala Group</b>	<b>235</b>	<b>238</b>	<b>229</b>	<b>233</b>	<b>236</b>
ACEPHRES	46	47	45	51	55
ACERES	99	102	98	95	94
DIRPOWRES	46	46	46	46	45
EPMIRES	44	43	40	41	42
<b>MERALCO Group</b>	<b>468</b>	<b>491</b>	<b>527</b>	<b>531</b>	<b>536</b>
CEDCLRE	11	11	11	10	9
MERXRES	1	1	1	1	1
MRLCOLRE	415	434	466	468	472
MRLCOSLR					
VESMIRES	41	45	49	52	54
<b>San Miguel Group</b>	<b>169</b>	<b>173</b>	<b>168</b>	<b>164</b>	<b>156</b>
MPPCLRES	6	6	6	18	25
SMCCPCRES	52	55	83	93	109
SMELCRES	111	112	79	53	22
<b>Others</b>	<b>154</b>	<b>162</b>	<b>175</b>	<b>181</b>	<b>206</b>
ANDARES	3	3	4	4	4
BGIRES	50	52	46	46	55
BTLC2LRE		1	1	1	1
CESIRES	3	4	5	6	7
CORERES	1	1	2	3	5
FDCRESC	12	15	15	17	17
FGESRES	11	11	7	7	6
GESCRES	17	17	20	20	21
GNPLCRES	4	4	4	4	4
KRATOSRES	21	22	28	28	29
KSPCRES	3	3	5	6	6

Market Participant Group	As of Sep 2019	As of Dec 2019	As of Mar 2020	As of Jun 2020	As of Sep 2020
MANTARES	2	1	1	1	1
MECORES					4
PERCRES	12	12	12	12	12
SCRCRES	4	4	6	6	8
SPREIRES					1
TEILRE					
TPECRES	10	11	18	19	24
VECOLRE					
WAHCRES	1	1	1	1	1
<b>TOTAL</b>	<b>1,354</b>	<b>1,404</b>	<b>1,442</b>	<b>1,452</b>	<b>1,476</b>

**Figure 5** shows the quarterly share of the Suppliers per major participant in terms of the number of Contestable Customers registered in the market as of the September 2020 billing period.

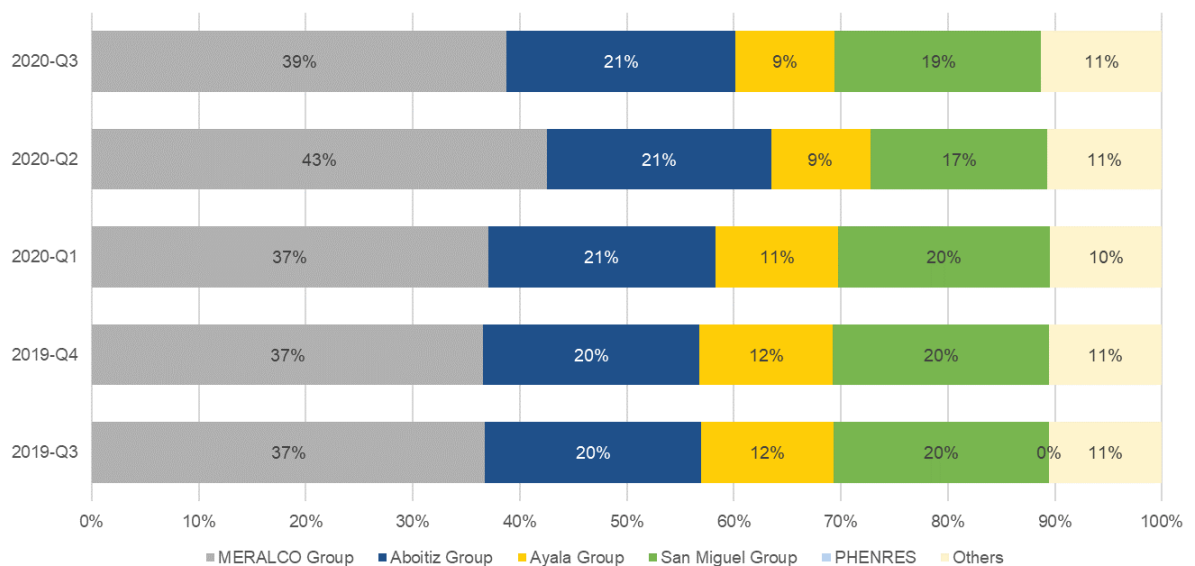
Quarter-on-quarter review shows that the share of MERALCO group on the total Contestable Customers declined to about 36% by the end of September 2020 but still managed to top the group with the highest share. For other groups, namely Aboitiz, Ayala, and San Miguel, their percent share remained generally the same.

It is also interesting to note that those Suppliers without affiliation(s) or do not belong to major groups demonstrated an increase of about 2% in the share of CCs served for the subject period. To an extent, this signals improved competition in the market with increasing participation from other Suppliers other than the major groupings.



**Figure 5. Share in Number of CCs Per Major Participant, Sep 2019 to Sep 2020**

As regards the share of major suppliers with respect to retail energy consumption, **Figure 6** shows that the MERALCO group remained with the largest share at 39% - although it should be noted that as compared to the 2<sup>nd</sup> quarter of 2020, the share of MERALCO group declined by about 4%. This is then followed by Aboitiz Group, San Miguel Group and then the Ayala Group.

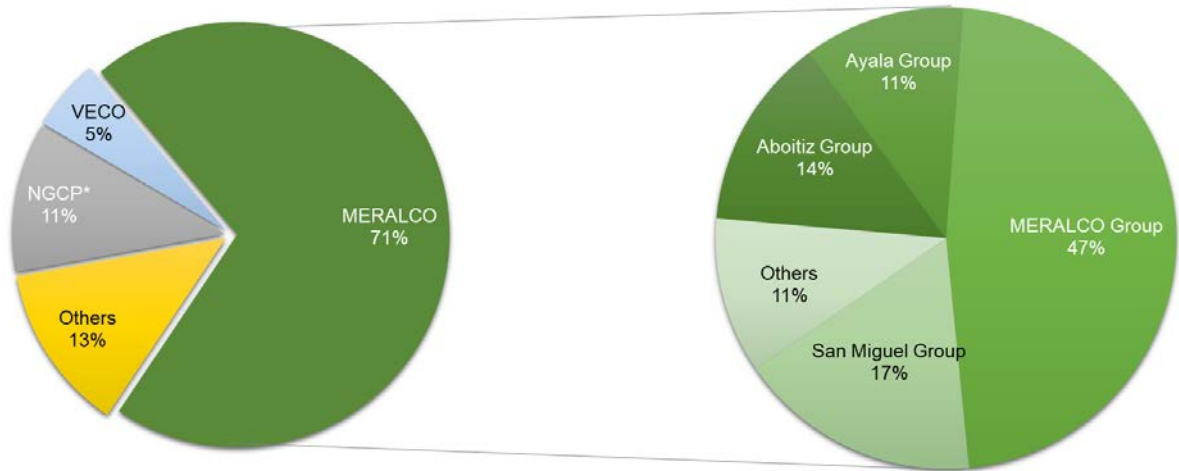


**Figure 6. Share in Total Energy Consumption of CCs Per Major Participant, 2019-Q3 to 2020-Q3**

In terms of location, registered Contestable Customers were scattered within the different distribution utility franchise areas and economic zones listed in Appendix B. *List of Distribution Utility Franchise Areas and Economic Zones*

As provided in **Figure 7(a)**, majority or about 71% of the registered Contestable Customers were located within the franchise area of MERALCO. On the other hand, 13% of the registered Contestable Customers were scattered across the other franchise areas and economic zones, 11% were directly connected to the transmission grid, and the remaining 5% were within the VECO franchise.

It should be noted, however, that not all Contestable Customers located within the MERALCO franchise area were supplied by the Meralco Group, as some availed the services of other Suppliers for their energy requirements as shown in **Figure 7 (b)**.



**Figure 7. (a) Energy Consumption of CCs by Franchise Area, 2020-Q3; (b) Energy Consumption by Supplier within MERALCO Franchise Area, 2020-Q3**

### 1.2.2 Herfindahl–Hirschman Index (HHI)

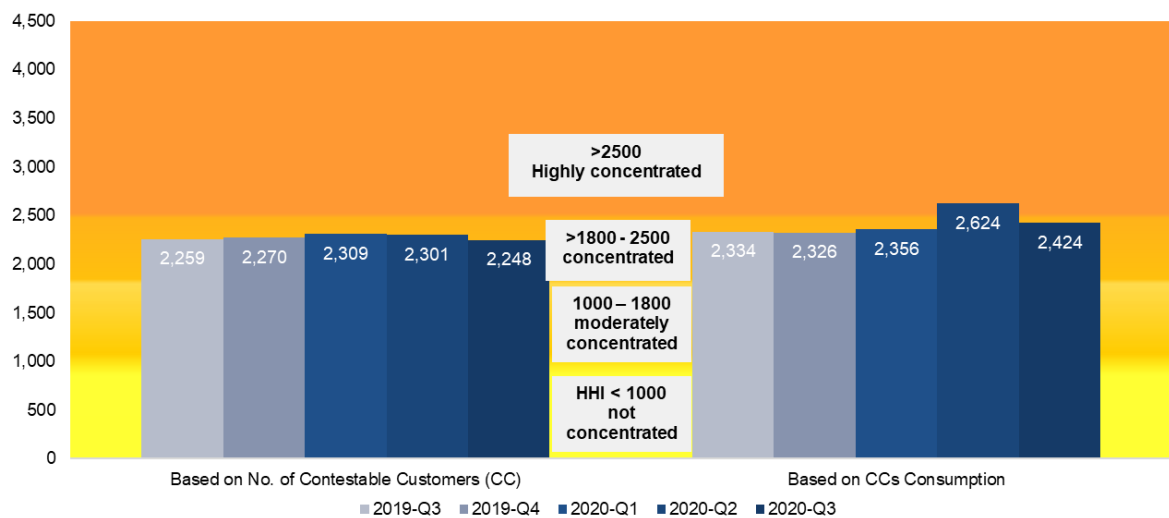
This section discusses the market concentration of Suppliers by major participant grouping of ERC, based on the number of Contestable Customers they are in contract with and based on the energy consumption of these Contestable Customers. **Figure 8** shows that the level of market concentration using the Herfindahl-Hirschman Index (HHI)<sup>10</sup> when measured in terms of the number of served Contestable Customers. The HHI resulted to a concentrated market which is slightly lower than the resulting value for the 2<sup>nd</sup> quarter of 2020. As remarked above regarding the CCs served by the Suppliers, the resulting HHI value decreased signaling that there was indeed an improvement on the level of concentration in the market.

Meanwhile, in terms of consumption, the market yielded a concentrated value which was a rank lower than the previous quarter indicating increased share of energy consumption from other Suppliers' contestable customers motivated by the less restrictive quarantine setup<sup>11</sup>.

<sup>10</sup> HHI measures the degree of market concentration. Defined as the sum of the Suppliers' market share, the HHI threshold are as follows:

- HHI < 1000 - not concentrated
- Greater than 1000 up to 1800 - moderately concentrated
- Greater than 1800 up to 2500 - concentrated
- Greater than 2500 - highly concentrated

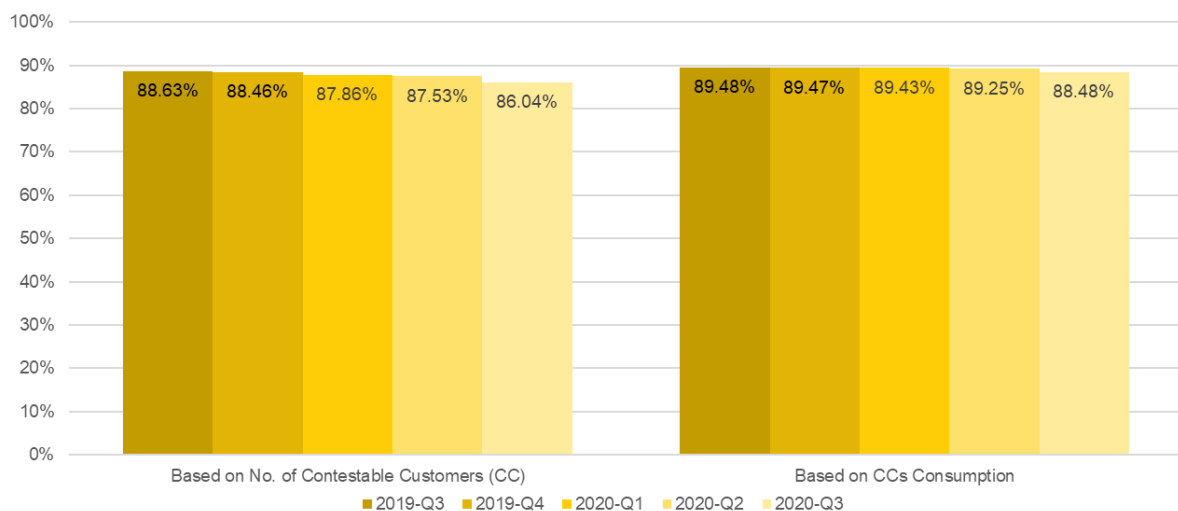
<sup>11</sup> [https://pcoo.gov.ph/news\\_releases/metro-manila-remains-under-gcq-until-july-31/](https://pcoo.gov.ph/news_releases/metro-manila-remains-under-gcq-until-july-31/);  
[https://pcoo.gov.ph/news\\_releases/metro-manila-now-in-gcq/](https://pcoo.gov.ph/news_releases/metro-manila-now-in-gcq/); [https://pcoo.gov.ph/news\\_releases/iligan-city-is-mecq-starting-sept-1-metro-manila-remains-gcq/](https://pcoo.gov.ph/news_releases/iligan-city-is-mecq-starting-sept-1-metro-manila-remains-gcq/)



**Figure 8. HHI Values Based on Number of CCs and CC Consumption, 2019-Q3 to 2020-Q3**

### 1.2.3 Four-Firm Concentration Index (C4)<sup>12</sup>

The four-firm index or C4 values based both on the number of enrolled Contestable Customers and their consumption were still high at about 86 and 88%, respectively, during the quarter in review as shown in **Figure 9**. Note that the top four (4) Suppliers used in this index were determined based on the latest major participant grouping of the ERC.



**Figure 9. Four-Firm Index, 2019-Q3 to 2020-Q3**

<sup>12</sup> C4 measures the percentage of market share of the four largest firms in the market. Concentration levels are as follows: High: 80% to 100%; Medium: 50% to 80%; and Low: 0% to 50%

## 1.2.4 Supplier Structure

**Table 4** shows the degree of integration among the Suppliers, Generation Companies, and Distribution Utilities as of May 2020<sup>13</sup>. The Supplier structure shows that majority of the Retail Electricity Suppliers had affiliate Generation Companies. Note that one Supplier may have multiple affiliate Generation Companies, Suppliers, and/or Distribution Utilities.

**Table 4. Summary of Suppliers with Affiliate Generation Companies, Suppliers and Distribution Utilities**

Category	No. of Registered Suppliers	No. of Suppliers with Affiliate Generator	No. of Suppliers with Affiliate Supplier	No. of Suppliers with Affiliate DU
Retail Electricity Supplier	33	28	19	14
Local Retail Electricity Supplier	14	3	5	3
Supplier of Last Resort	25	5	7	4
<b>Total</b>	<b>72</b>	<b>36</b>	<b>31</b>	<b>21</b>

On the ongoing review of the MSC of the best practices in other jurisdictions, vertical integration is one of the areas being looked at in terms of analysis of the market. This relates the capacity withdrawn by the Suppliers from the capacity generated by their affiliate generator participants.

## 2.0 MARKET PERFORMANCE

### 2.1 Total Energy Consumption

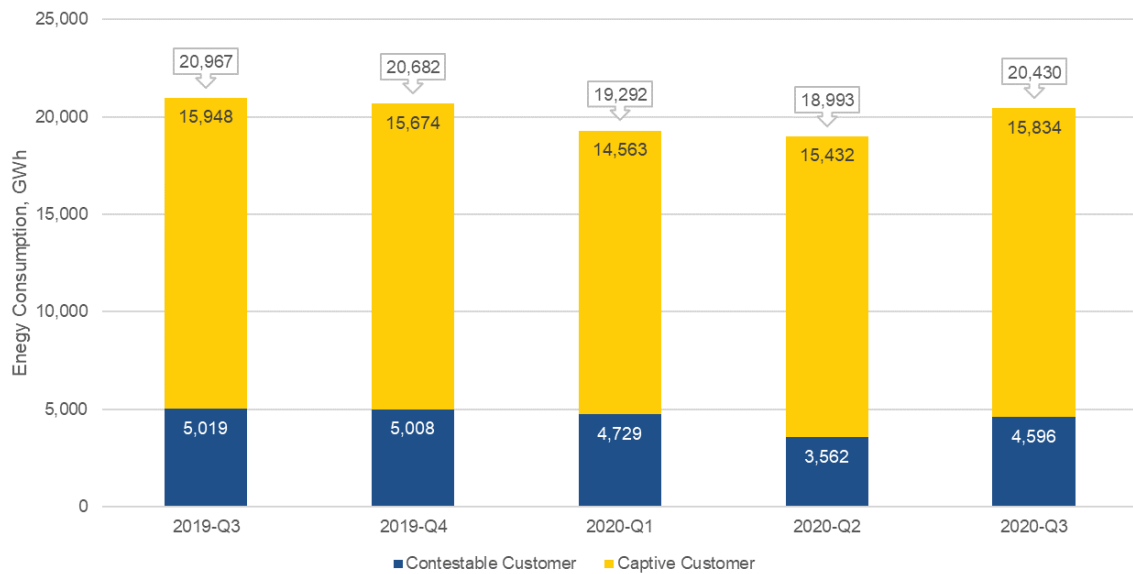
The quarter-on-quarter total energy consumption which includes both that of the Captive and registered Contestable Customers is shown in **Figure 10**. This statistic is a function of both the demand for electricity and the change in number of participants in the retail market.

Year-on-year, a decrease of about 2.5% was observed for the quarter in review. However, quarter-on-quarter, this period saw an increase of about 7.5% in consumption. As mentioned in the previous discussions, the government's decision to allow commercial establishments to operate on longer hours and lessen the curfew hours duration starting 01 September 2020<sup>14</sup>, contributed to more economic activities. This was evident in the observed increase in energy consumption from the Contestable Customers by about 29% as compared to the 2<sup>nd</sup> quarter of this year when the strict implementation of the community quarantine was in-place. Meanwhile, the consumption of Captive Customers, which are mainly composed of household consumers, grew again by about 2% from the previous quarter. This was driven, among others, by the continuous implementation of work-from-home scheme by various businesses, citizens staying at home in compliance with the community quarantine and the conduct of online classes for students.

<sup>13</sup> Based on latest available ERC data.

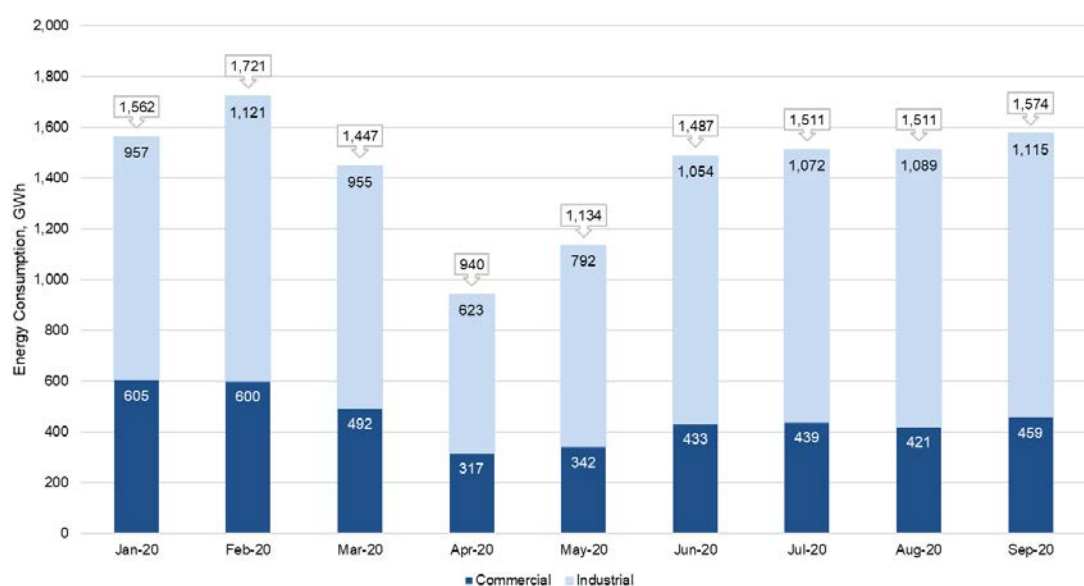
<sup>14</sup> <https://www.cnnphilippines.com/news/2020/8/31/Metro-Manila-GCQ-recommendation-September-1-COVID-19.html>





**Figure 10. Total Energy Consumption (in GWh), 2019-Q3 to 2020-Q3**

**Figure 11** further shows the month-on-month consumption of consumers during the first three quarters of 2020. Contrary to historical data, April and May, which were supposed to be the peak of summer season, posed the lowest recorded consumptions for the months in comparison. It may however be observed that come June 2020, the demand was slowly regaining normalcy manifesting that industries were resuming their usual operation but under the new normal setup. Although, during the first half of August the government decided to revert the NCR to MECQ<sup>15</sup>, due to the spike in cases of COVID in the Philippines, which may have caused the flattened demand from July to August.



**Figure 11. Total Energy Consumption of CC by Industry Type (in GWh) Jan to Sep 2020**

<sup>15</sup> [https://pcoc.gov.ph/news\\_releases/ncr-is-now-mecq-20m-face-masks-for-the-poor/](https://pcoc.gov.ph/news_releases/ncr-is-now-mecq-20m-face-masks-for-the-poor/)

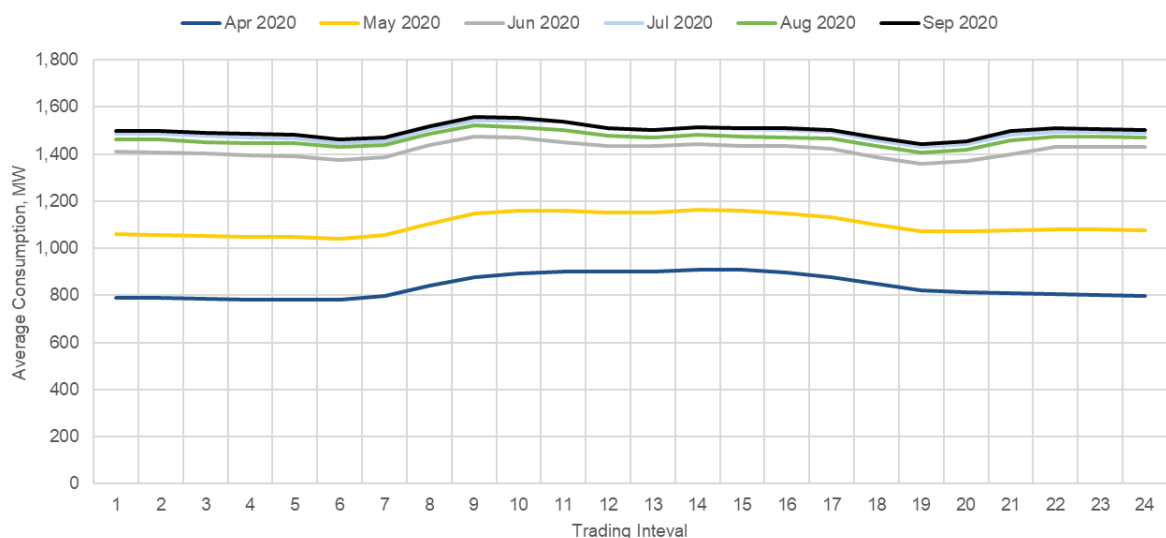
## 2.2 Hourly Energy Consumption Profile of Registered Contestable Customers

**Figures 12 and 13** show the hourly average consumption of registered industrial and commercial Contestable Customers, respectively, for the billing months of April to September 2020. The consumption profile demonstrated how their electricity consumption varied over the course of a 24-hour period.

As shown in **Figure 12**, the electricity consumption of industrial Contestable Customers, generally did not show substantial peak and off-peak variations. A dip in their average energy consumption was generally observed during intervals 0700H, 1300H, and 1900H, denoting that they likely operate on three shifts.

Relevant to the analysis provided in the previous sections, the load profiles of the industrial consumers were evidently low during the height of strict implementation of community quarantine in April and May 2020. Meanwhile, as of June 2020 the average load profile of the industrial customers normalized in line with the government's decision to allow more economic activities in the country.

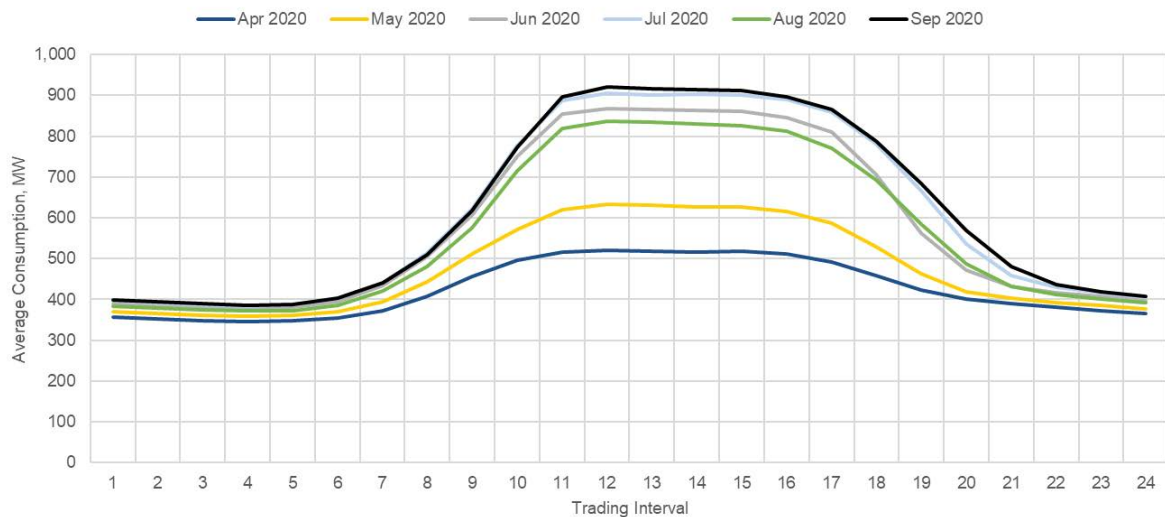
It is interesting to note that the consumption pattern of industrial customers presents an opportunity to shift their loads to off-peak hours when prices from WESM or other generators are usually lower.



**Figure 12. Hourly Average Energy Consumption (in MWh), Industrial CCs, Apr to Sep 2020**

The registered commercial Contestable Customers, on the other hand, showed a substantial variation in their peak and off-peak consumption as shown in **Figure 13**. Peak consumption of registered Commercial Contestable Customers was generally observed from around 10:00 to 19:00 which still denoted shortened hours of businesses due to mitigating measure being observed by the government during this pandemic. The difference between the April and May to the rest of the

months is highly notable providing further evidence that consumers were slowly going back to business as usual.



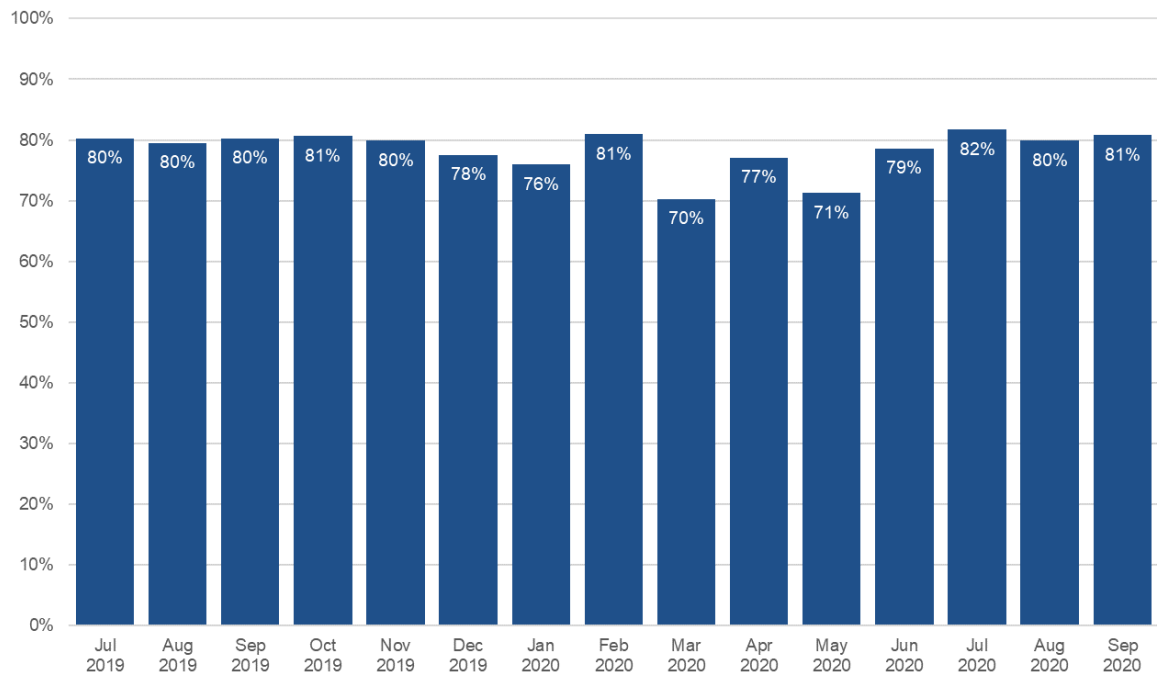
**Figure 13. Hourly Average Energy Consumption (in MWh), Commercial CCs, Apr to Sep 2020**

## 2.3 Load Factor

**Figure 14** shows the monthly load factor<sup>16</sup> of registered Contestable Customers, which was calculated based on their actual electricity consumption. The load factors of registered Contestable Customers were typical in general. As compared to the months when the community quarantine was implemented, the load factors were much higher and better during the quarter in review, signifying generally efficient electricity usage of registered Contestable Customers<sup>17</sup>. It should be noted that load factors affect the resulting offer prices of the RESs to the Contestable Customers – the tendency is that higher the load factor corresponds to lower retail supply contract prices, and vice versa.

<sup>16</sup> Based on Metered Quantity (MQ)

<sup>17</sup> Dr. C.R. Bayliss CEng FIET, B.J. Hardy CEng FIET, in Transmission and Distribution Electrical Engineering (Fourth Edition), 2012

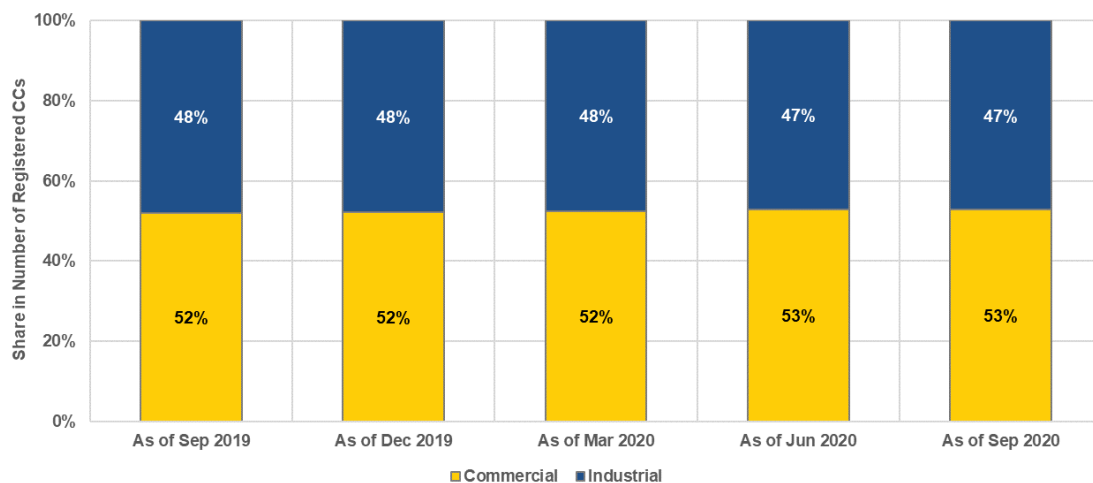


**Figure 14. CC Load Factor, Jul 2019 to Sep 2020**

## 3.0 RETAIL ACTIVITY

### 3.1 Customer Participation Level

The quarterly share of registered Contestable Customers per industry type for the period is shown in **Figure 15**. The registered Contestable Customers in both commercial and industrial categories generally retained shares for the quarter in review.



**Figure 15. Percentage of CCs Per Industry Type, Sep 2019 to Sep 2020**

### 3.2 Customer Switching Rate

**Table 8** shows the switching rate among registered Contestable Customers for the period covered in this report. Based on the data, fifty-four (54) switches from one Supplier to another were recorded during the July to September 2020 billing months with July recording the highest switching rates for the period in review. These switches were attributable to the end of contract dates between the Suppliers and the Contestable Customers.

**Table 5. Customer Switching Rate**

Particulars	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020
<b>Switching Rate (Luzon)</b>	<b>0.17%</b>	<b>0.41%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.16%</b>	<b>1.17%</b>	<b>2.48%</b>	<b>2.63%</b>	<b>0.31%</b>	<b>0.23%</b>	<b>2.07%</b>	<b>1.53%</b>	<b>1.29%</b>	<b>1.13%</b>
Total No. of CCs	1,196	1,212	1,221	1,235	1,247	1,264	1,283	1,288	1,295	1,300	1,299	1,303	1,311	1,317	1,326
Total No. of CCs that Switched	2	5	1	1	1	2	15	32	34	4	3	27	20	17	15
LRES to LRES						1	6	30	17	1		1	6		3
RES to LRES	2			1		1	5	2	1						
RES to RES		5	1		1		4		16	3	3	26	14	17	12
SOLR to RES															
<b>Switching Rate (Visayas)</b>	<b>0.76%</b>	<b>0.00%</b>	<b>0.73%</b>	<b>0.72%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.07%</b>	<b>0.00%</b>	<b>1.33%</b>	<b>1.32%</b>	<b>0.66%</b>	<b>0.00%</b>	<b>0.66%</b>	<b>0.00%</b>	<b>0.65%</b>
Total No. of CCs	131	132	137	138	143	144	145	148	150	151	151	152	152	152	153
Total No. of CCs that Switched	1	0	1	1	0	0	3		2	2	1		1		1
LRES to LRES															
RES to LRES	1		1	1			3		2	2	1		2		1
<b>Switching Rate (Luzon-Visayas)</b>	<b>0.23%</b>	<b>0.37%</b>	<b>0.15%</b>	<b>0.15%</b>	<b>0.07%</b>	<b>0.14%</b>	<b>1.26%</b>	<b>2.23%</b>	<b>2.49%</b>	<b>0.41%</b>	<b>0.28%</b>	<b>1.86%</b>	<b>1.44%</b>	<b>1.16%</b>	<b>1.08%</b>
Total No. of CCs	1,327	1,344	1,358	1,373	1,390	1,408	1,428	1,436	1,445	1,451	1,450	1,455	1,463	1,469	1,479
Total No. of CCs that Switched	3	5	2	2	1	2	18	32	36	6	4	27	21	17	16

## 4.0 RECENT RCOA MARKET ACTIVITIES

As regards activities that are aimed towards the enhancements of the RCOA market, the following items have recently occurred and are worthy to note:

### 4.1 Proposed Lowering the Thresholds for the RCOA Market

The ERC had published its proposed new implementation of the RCOA timeline<sup>18</sup> through ERC Case No. 2020-02 RM entitled “*Resolution Prescribing the New Timeline for the Implementation of Retail Competition and Open Access (RCOA)*” on 07 October 2020 as follows:

	<b>Threshold Level</b>	<b>Effectivity</b>
Phase III	500 kW to 749 kW	Feb. 26, 2021
Phase IV	100 kW to 499 kW	Jan. 26, 2022
Phase V	10 kW to 99 kW	Jan. 26, 2023

The implementation shall be subjected for finalization with due consideration to the comments from the stakeholders.

### 4.2 MSC Dialogue with Stakeholders

In line with the ongoing study of the MSC with the end view of having a more competitive and enhanced RCOA market, the following dialogues with the stakeholders occurred in August 2020, which mainly aimed at gathering the concerns and recommendations from the different segments of the market:

<sup>18</sup> <https://erc.gov.ph/ContentPage/62138>

- Retail Electricity Suppliers – 13 August 2020
- Energy Regulatory Commission – 14 August 2020
- Contestable Customers – 28 August 2020

Results of the said dialogues shall form part of the MSC's study of the RCOA Market.

## APPENDICES

### APPENDIX A. List of Suppliers Per Category, as of 25 September 2020

Category	No.	Market Participant Name	Short Name
Retail Electricity Supplier	33	Aboitiz Energy Solutions, Inc.	AESIRES
		AC Energy Philippines, Inc.(formerly PHINMA Energy Corporation-RES)	ACEPHRES
		AC Energy Holdings, Inc.	ACERES
		AdventEnergy, Inc.	ADVENTRES
		Anda Power Corporation RES	ANDARES
		Bac-Man Geothermal, Inc.	BGIRES
		Citicore Energy Solutions, Inc.	CESIRES
		Corenergy, Inc.	CORERES
		DirectPower Services, Inc.	DIRPOWRES
		Ecozone Power Management, Inc.	EPMIRES
		FDC Retail Electricity Sales Corporation	FDCRESC
		First Gen Energy Solutions, Inc.	FGESRES
		Global Energy Supply Corporation	GESCRES
		GNPower Ltd. Co.	GNPLCRES
		KEPCO SPC Power Corporation	KSPCRES
		Kratos RES, Inc.	KRATOSRES
		Mabuhay Energy Corporation	MECORES
		Manta Energy, Inc.	MANTARES
		Masinloc Power Partners Company Limited	MPPCLRES
		Mazzaraty Energy Corporation	MACRES
		MeridianX Inc.	MERXRES
		Millennium Power RES, Inc.	MPRIRES
		Premier Energy Resources Corporation	PERCRES
		Prism Energy, Inc.	PRISMRES
		San Miguel Electric Corporation	SMELCRES
		SEM-Calaca RES Corporation	SCRCRES
		SMC Consolidated Power Corporation	SMCCPCRES
		SN Aboitiz Power-RES, Inc.	SNAPRES
		Solar Philippines Retail Electricity, Inc.	SPREIRES
		Solvre, Inc.	SOLVRERES
		TeaM (Philippines) Energy Corporation	TPECRES
		Vantage Energy Solutions and Management, Inc.	VESMIREs
		Waterfront Mactan Casino Hotel, Inc.	WAHCRES
Local Retail Electricity Supplier	14	Batangas II Electric Cooperative, Inc.	BTLC2LRE
		Camarines Sur II Electric Cooperative, Inc.	CASUR2LRE
		Cebu I Electric Cooperative, Inc.	CEBEC1LRE
		Cebu II Electric Cooperative, Inc.	CEBEC2LRE

Category	No.	Market Participant Name	Short Name
		Central Negros Electric Cooperative, Inc.	CENECOLRE
		Clark Electric Distribution Corporation LRES	CEDCLRE
		Dagupan Electric Corporation	DECORPLRE
		Ilocos Norte Electric Cooperative, Inc.	INECLRE
		Mactan Enerzone Corporation LRES	MEZLRE
		Manila Electric Company	MRLCOLRE
		San Fernando Electric Light & Power Co., Inc.	SFELAPLRE
		Subic Enerzone Corporation	SEZLRE
		Tarlac Electric, Inc.	TEILRE
		Visayan Electric Company, Inc.	VECOLRE
Supplier of Last Resort	25	Angeles Electric Corporation	AECSLR
		Balamban Enerzone Corporation	BEZSLR
		Batangas II Electric Cooperative, Inc.	BTLC2SLR
		Benguet Electric Cooperative, Inc.	BENECOSLR
		Bohol I Electric Cooperative, Inc.	BOHECO1SLR
		Bohol Light Company, Inc.	BLCISLR
		Cabanatuan Electric Corporation	CELCORSLR
		Camarines Sur II Electric Cooperative, Inc.	CASUR2SLR
		Cebu I Electric Cooperative, Inc.	CEBEC1SLR
		Cebu II Electric Cooperative, Inc.	CEBEC2SLR
		Clark Electric Distribution Corporation	CEDCSLR
		Dagupan Electric Corporation	DECORPSLR
		Ilocos Norte Electric Cooperative, Inc.	INECSLR
		Ilocos Sur Electric Cooperative, Inc.	ISECOSLR
		Isabela I Electric Cooperative, Inc.	ISLCO1SLR
		La Union Electric Cooperative, Inc.	LUELCO1SLR
		Mactan Electric Company, Inc.	MECOSLR
		Mactan Enerzone Corporation	MEZSLR
		Manila Electric Company	MRLCOSLR
		Negros Oriental II Electric Cooperative, Inc.	NRECO2SLR
		Subic Enerzone Corporation	SEZSLR
		Tarlac Electric, Inc.	TEISLR
		Tarlac I Electric Cooperative, Inc.	TRLCO1SLR
		Tarlac II Electric Cooperative, Inc.	TRLCO2SLR
		Visayan Electric Company, Inc.	VECOSLR



## APPENDIX B. List of Distribution Utility Franchise Areas and Economic Zones

No.	Short Name	Distribution Utility/ Economic Zone	No.	Short Name	Distribution Utility/ Economic Zone
1	AEC	Angeles Electric Corporation	27	LEYECO V	Leyte V Electric Cooperative, Inc.
2	AFAB	Authority of the Freeport Area of Bataan	28	LEZ	LIMA Enerzone Corporation
3	AKELCO	Aklan Electric Cooperative, Inc.	29	LUELCO	La Union Electric Cooperative, Inc.
4	ALECO	Albay Electric Cooperative, Inc.	30	MECO	Mactan Electric Company
5	ANTECO	Antique Electric Cooperative, Inc.	31	MERALCO	Manila Electric Company
6	BATELEC I	Batangas I Electric Cooperative, Inc.	32	MEZ	Mactan Economic Zone
7	BATELEC II	Batangas II Electric Cooperative	33	NEECO I	Nueva Ecija I Electric Cooperative, Inc.
8	BEZ	Balamban Enerzone Corporation	34	NOCECO	Negros Occidental Electric Cooperative, Inc.
9	BLCI	Bohol Light Company, Inc.	35	NORECO II	Negros Oriental II Electric Cooperative, Inc.
10	BOHECO I	Bohol I Electric Cooperative, Inc.	36	OEDC	Olongapo Electricity Distribution Company
11	CAGELCO I	Cagayan1 Electric Cooperative, Inc.	37	PANELCO III	Pangasinan III Electric Cooperative, Inc.
12	CAGELCO II	Cagayan II Electric Cooperative, Inc.	38	PECO	Panay Electric Co., Inc.
13	CASURECO II	Camarines Sur II Electric Cooperative, Inc.	39	PELCO I	Pampanga I Electric Cooperative, Inc.
14	CEBECO I	Cebu I Electric Cooperative, Inc.	40	PELCO II	Pampanga II Electric Cooperative, Inc.
15	CEBECO II	Cebu II Electric Cooperative, Inc.	41	PELCO III	Pampanga III Electric Cooperative, Inc.
16	CEDC	Clark Electric Distribution Corporation	42	PENELCO	Peninsula Electric Cooperative, Inc.
17	CELCOR	Cabanatuan Electric Corporation	43	PEZA	Philippine Economic Zone Authority
18	CENPELCO	Central Pangasinan Electric Cooperative, Inc.	44	QUEZELCO I	Quezon I Electric Cooperative, Inc.
19	DECORP	Dagupan Electric Corporation	45	SAMELCO I	Samar I Electric Cooperative, Inc.
20	DORELCO	Don Orestes Electric Cooperative, Inc.	46	SEZ	Subic EnerZone Corporation
21	FIT	First Industrial Township Utilities, Inc.	47	SFELAPCO	San Fernando Electric Light and Power Company, Inc.
22	ILECO I	Iloilo I Electric Cooperative, Inc.	48	TARELCO I	Tarlac I Electric Cooperative, Inc.
23	INEC	Ilocos Norte Electric Cooperative, Inc.	49	TARELCO II	Tarlac II Electric Cooperative, Inc.
24	ISECO	Ilocos Sur Electric Cooperative, Inc.	50	TEI	Tarlac Electric, Inc.
25	ISELCO I	Isabela I Electric Cooperative, Inc.	51	VECO	Visayan Electric Company, Inc.
26	LEYECO II	Leyte II Electric Cooperative, Inc.	52	NGCP <sup>19</sup>	National Grid Corporation of the Philippines

<sup>19</sup> For Directly Connected Contestable Customers