

2 February 2023

Advisory Number : **REM- 2023-03**

Subject : **Updates on the Renewable Energy Certificate (REC) Issuance for September to December 2018 RE Generation**

Dear **RE Market Participants**,

This is to provide you with updates on the status and next activities regarding the REC issuance validation for the RE Generation covering the billing periods September 2018 to December 2018.

As a background, the RE Registrar released the attached Advisory No. 2022-10 requesting all participants to validate their issued RECs for the aforementioned billing periods. Consequently, the results are as follows:

1. **Non-FIT Compliance Mechanism** – Most of the validation responses were “CORRECT” remarks and the “INCORRECT” remarks were validated with and accepted as correct by the concerned market participants. Hence, there will be no adjustment on the issued RECs for the Non-FIT Compliance Mechanism.
2. **FIT Compliance Mechanism-** Several “INCORRECT” remarks were reported due to the following:
 - a. Incorrect Metered Quantity (MQ) data (i.e. should be lower) for one Distribution Utility in October 2018;
 - b. Incorrect Bilateral Contract Quantity (BCQ) data of a Generator Serving Directly Connected Customers for the November and December 2018 Billing Periods; and
 - c. Discrepancies in the FIT-All Payment Efficiency values used in the allocation of RECs for some DUs for September 2018 to December 2018.

For Items 2.a and 2.b above, the reported concerns were confirmed as valid after consultation with the concerned market participants and data provider.

For Item 2.c, the RE Registrar requested the National Transmission Corporation (TransCo), as the FIT-All Data Provider, to review the data used for the subject billing periods. Concerned mandated participants were then requested to coordinate with TransCo from 17 January to 27 January 2023.

Upon further review of the results and updates on TransCo's coordination with the concerned market participants, PEMC and TransCo agreed to update the 2018 payment efficiency data of Collection Agents, including the National Grid Corporation of the Philippines (NGCP), **as of 31 December 2022**.

In view of the foregoing, please be advised that the RE Registrar will be re-issuing the RECs under the FiT Compliance Mechanism for September 2018 to December 2018.

Kindly note the following changes as regards the data used for the monthly re-issuance:

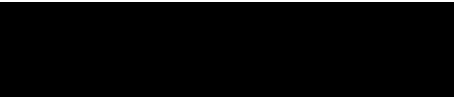
Billing Period	Data Change and Corresponding Impact to the MP
September 2018	FiT-All Payment Efficiency <ol style="list-style-type: none"> For MPs with previously recorded 100% Payment Efficiency: <ul style="list-style-type: none"> No change in the number of issued RECs For those MPs with updated payment efficiency from less than 100% to 100% <ul style="list-style-type: none"> Increase in the number of issued RECs.
October 2018	Total Customer MQ and Allocation Value and FiT-All Payment Efficiency <ol style="list-style-type: none"> For all MPs <ul style="list-style-type: none"> Possible increase in the number of issued RECs due to lower total allocation value and updated payment efficiency from less than 100% to 100%
November 2018	Total Customer MQ and Allocation Value and FiT-All Payment Efficiency <ol style="list-style-type: none"> For MPs with previously recorded 100% Payment Efficiency: <ul style="list-style-type: none"> Possible decrease in the number of issued RECs due to higher total allocation value. For those MPs with updated payment efficiency from less than 100% to 100% <ul style="list-style-type: none"> Increase in the number of issued RECs.
December 2018	FiT-All Payment Efficiency, Total Customer MQ and Allocation Value <ol style="list-style-type: none"> For all MPs <ul style="list-style-type: none"> Possible increase in the number of issued RECs considering the carry-over values for October and November 2018 and updated payment efficiency from less than 100% to 100%.

The RE Registrar will release another advisory, including the updated monthly manual validation templates, once we have completed the re-issuance of the RECs.

Should you have concerns regarding this advisory, you may send an email through reregistrar@wesm.ph.

Thank you.

For the RE Registrar,



CLARES LOREN C. JALOCAN *

Head, Corporate Planning & Communications Department