



Republic of the Philippines
National Electrification Administration

13 May 2010

ENGINEERING ADVISORY No. 1

Subject: Reminders Relative to the Issuance of Department of Energy (DOE) Circular No. DC2010-05-0006 dated May 6, 2010 "Terminating the Default Wholesale Supplier Agreement (DWS) for the Philippine Wholesale Electricity Spot Market (WESM) and Declaring a Disconnection Policy"

This is to inform you that Department of Energy (DOE) Circular No. DC2010-05-0006 dated May 6, 2010 "Terminating the Default Wholesale Supplier Agreement (DWS) for the Philippine Wholesale Electricity Spot Market (WESM) and Declaring a Disconnection Policy" was published at the Philippine Daily Inquirer on May 12, 2010.


We take special notice of the provision in Section 2.1 on the "Disconnection of Non-WESM Members" which states: Pursuant to Section 2.2.4.2 of WESM Rules, all persons or entities who fail to register with the WESM within 90 days from the effectivity of this Circular shall be disconnected from the grid. This condition shall initially apply to the Luzon grid where there is WESM operation.

Thus, all ECs are hereby advised to undertake the following necessary measures in ensuring the continuous supply of electricity within its franchise area, as mandated by the cited DOE Circular:

- (1) Enter into a Bilateral Contract, either single or multiple, with a generator or service provider with the least cost to cover your coop's energy requirement;
- (2) For Luzon ECs, to become a WESM member, either direct or indirect, to be able to withdraw electricity from the grid;
- (3) Check the remaining life span of existing Power Supply Contracts; and
- (4) Monitor the daily allocation of contracted capacities for efficient supply and demand utilization.

You are further advised to treat this concern with utmost urgency and guarantee that your coop complies with the requirement set forth in the DOE Circular.

For your guidance and information.


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Noted:


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IN REPLYING, PLS. CITE: #OR016472



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