



NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1st Performance Governance System-Institutionalized National Government Agency"



Regulatory Advisory No. 2024-002

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : CLARIFICATION ON ANNEX B OF THE NEA MEMORANDUM NO. 2023-057

DATE : 02 May 2024

This *Regulatory Advisory* aims to clarify a certain provision of Annex B of the NEA Memorandum No. 2023-057 entitled "Adoption of the National Electrification Administration Competitive Selection Process Guidelines Implementing the Department of Energy's Department Circular No. DC2023-06-0021 and the Energy Regulatory Commission' Resolution No. 16, Series of 2023." (the "NEA 2023 CSP Guidelines").


Specifically, Item 7, Annex B of the *NEA 2023 CSP Guidelines* provides that:

TERMS OF REFERENCE	REQUIREMENT
Bid price in Philippine Peso per kilowatt-hour (PhP/kWh) (the "ceiling price" - inclusive of Fuel cost but excluding any penalties and/or discounts to be implemented for the duration of the contract period)	

For the avoidance of doubt, it is hereby clarified that Item 7, Annex B of *NEA 2023 CSP Guidelines* **DOES NOT REQUIRE** Electric Cooperatives ("ECs") to impose a ceiling bid price or cap in their individual Terms of Reference for the EC's Competitive Selection Process ("CSP") for the procurement of power supply.

Nevertheless, ECs have the option to include a ceiling bid price or cap in their respective Terms of Reference if doing so would promote efficiency and transparency, while also managing costs and mitigating risks for their respective captive markets.

For guidance.


ANTONIO MARIANO C. ALMEDA
 Administrator

