

A Presentation of



National Association of Electricity Consumers for Reforms, Inc.

No.1 Beta Bayview Homes Subdivision, Bgy. 88, San Jose

Tacloban City 6500 Philippines

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"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

“2020” VISION

- The acknowledged Leader in economic, social, and environmental sustainability;
- The model preferred by people;
- The fastest growing form of enterprise.

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

12th National Cooperative Summit

“2020” VISION

1. To be the acknowledged LEADER in the industry, the Coop must have the largest membership base.

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

12th National Cooperative Summit

“2020” VISION

2. To be the model **PREFERRED BY THE PEOPLE**, the interests of the **COOP** members must be well represented ;

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

12th National Cooperative Summit

“2020” VISION

3. To be the FASTEST GROWING FORM OF ENTERPRISE, the COOP must provide the service that is a basic need of its members.

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

What form of service can the cooperative provide its members to achieve this vision?



Member-Consumer

12th National Cooperative Summit

“CO - OWNING THE POWER”

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

12th National Cooperative Summit

THE SERVICE OF DISTRIBUTING ELECTRICITY

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

THE SERVICE OF DISTRIBUTING ELECTRICITY

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

NEA-ORGANIZED ELECTRIC COOPERATIVES 120 ECS

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

CDA-REGISTERED ELECTRIC COOPERATIVES

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

CDA REGISTRATION OF ELECTRIC COOPERATIVES

A NASECORE ADVOCACY

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

CDA-REGISTERED

1. ABRECO
2. ISELCO
3. NOCECO
4. NUVELCO
5. PALECO
6. PANELCO I
7. PANELCO II
8. QUIRELCO
9. SAJELCO
10. SORECO II
11. ZAMECO II
12. DANECO

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

CDA REGISTRATION:

IMMEDIATE BENEFITS

1. Ownership of Member-Consumers

2. Rate Reduction from the 12% VAT exemption

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

THE SERVICE OF SUPPLYING ELECTRICITY

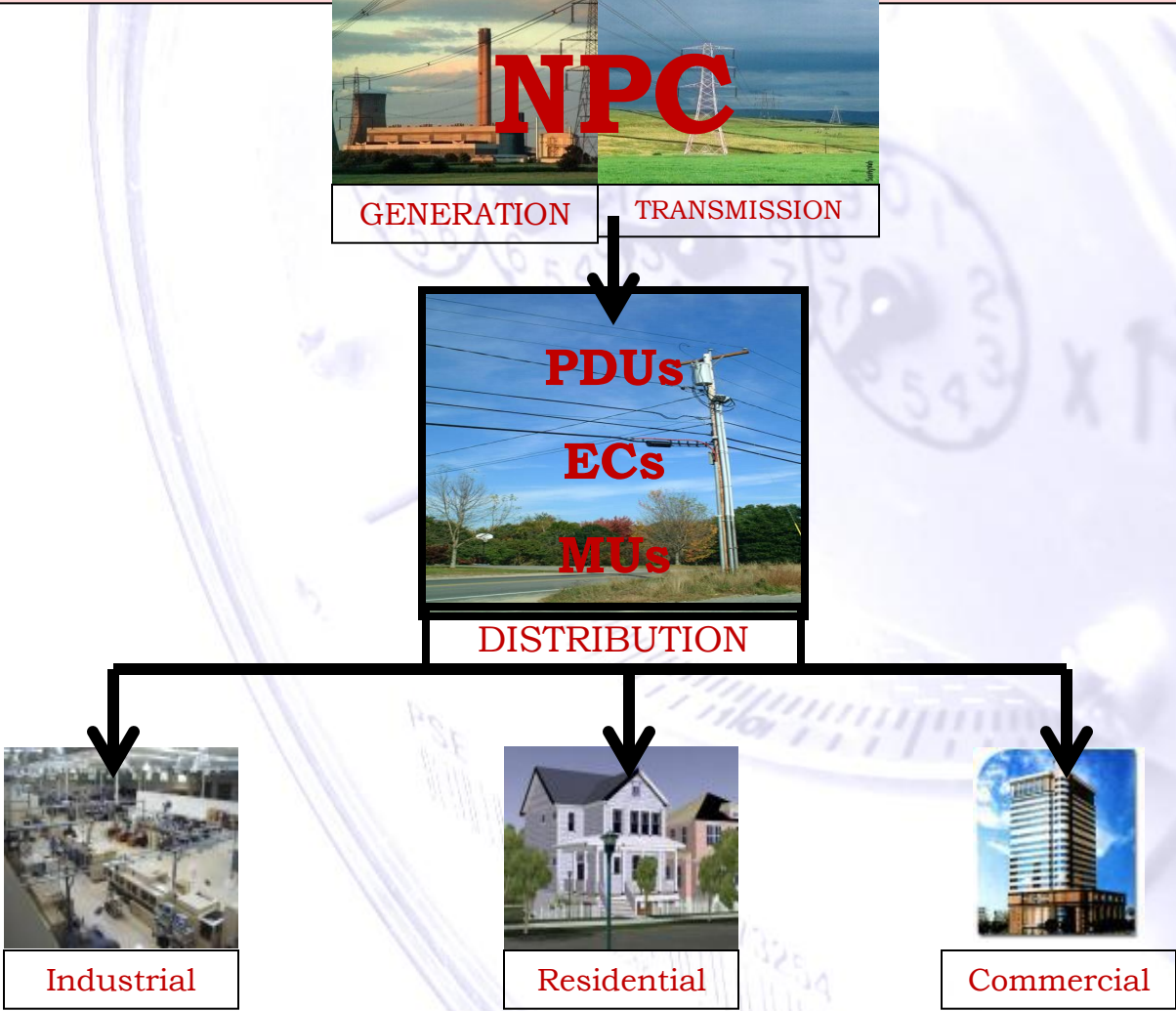
"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

12th National Cooperative Summit

UNDERSTANDING THE POWER INDUSTRY

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

The Power Set-Up BEFORE



"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

UNBUNDLING OF FUNCTIONS

Section 5 of EPIRA. Organization

FOUR (4) SECTORS

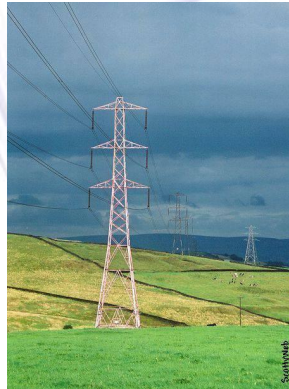
GENERATION



COMPETITIVE



TRANSMISSION



REGULATED



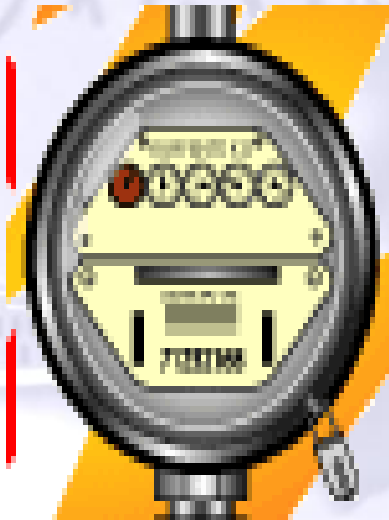
DISTRIBUTION



**ECs
REGULATED**



SUPPLY



COMPETITIVE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

UNBUNDLING OF FUNCTIONs GENERATION



“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

UNBUNDLING OF FUNCTIONS TRANSMISSION-REGULATED



“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

UNBUNDLING OF FUNCTIONS DISTRIBUTION -REGULATED



"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

UNBUNDLING OF FUNCTIONS SUPPLY-COMPETITIVE



"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

THE ELECTRIC POWER INDUSTRY REFORM ACT (EPIRA)

June 26, 2001

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

ELECTRICITY CONSUMER CONCERNS

1. ADEQUATE, STABLE, RELIABLE, AND SECURED SUPPLY OF ELECTRICITY.

(SECTION 37)

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

ELECTRIC POWER INDUSTRY REFORM ACT

DECLARATION OF POLICY

SECTION 2 .B

To ensure the quality, reliability, security and affordability of the supply of electric power;

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

ELECTRICITY CONSUMER CONCERNS

2. LEAST COST SUPPLY OF ELECTRICITY. (Section 23)

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

WHAT IS THE HOTTEST ISSUE AFFECTING ELECTRICITY CONSUMERS?

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

POWER SHORTAGE OR LACK OF POWER SUPPLY!

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

WHAT CAN COOPS DO TO HELP ADDRESS THIS PROBLEM?

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

WHAT IS THE OPPORTUNITY ?

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

CO-OWN THE POWER!

**ORGANIZE A GENERATION
COOPERATIVE**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

1. MINDANAO ENERGY COOPERATIVE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

2. VISAYAS ENERGY COOPERATIVE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

**3. NORTHERN LUZON
ENERGY COOPERATIVE.**

**4. SOUTHERN LUZON
ENERGY COOPERATIVE.**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

5. METRO MANILA ENERGY COOPERATIVE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

WHAT ARE THE REQUIREMENTS?

WE NEED CAPITAL

✓ ASSET BASE

✓ STRENGTH OF MEMBERSHIP BASE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

HOW SHOULD WE ORGANIZE AN ENERGY COOPERATIVE?

- ✓ **WITH THE COMBINED ASSETS PER GRID.**
- ✓ **WITH THE MEMBERSHIP BASE**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

CO-OWNING THE POWER

BUSINESS OPPORTUNITIES:

- A. 1. Power Supply contracts with EC's**
- 2. Apply with ERC and once approved -**
- 3. Build/construct a plant or bid with PSALM for control/ownership/interest of a existing plant**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

STRENGTH OF THE MINDANAO COOPERATIVES

- **Total Coop numbers :** **8,290**
- **Members :** **1,457,706**
- **Assets :** **P 100B**

CO-OWNING THE POWER

BUSINESS OPPORTUNITIES:

B. Invest/distribute in Renewable Energy (RE) like solar panels, BIOGAS, BIOMASS under the NET METERING PROGRAM.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

UNBUNDLING OF FUNCTIONS

Section 5 of EPIRA. Organization

FOUR (4) SECTORS

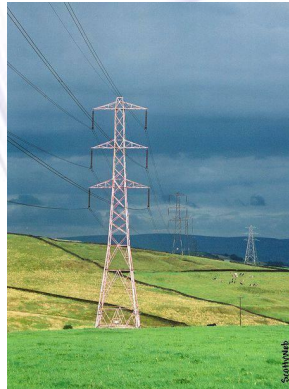
GENERATION



COMPETITIVE



TRANSMISSION



REGULATED



DISTRIBUTION



**ECs
REGULATED**



SUPPLY



COMPETITIVE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NAPOCOR PRIVATIZATION

A BACKGROUND

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NAPOCOR PRIVATIZATION EPIRA (RA 9136) Provision

Section 47. *NPC Privatization.* - Except for the assets of SPUG, the generation assets, real estate and other disposable assets are as well as IPP contracts of NPC shall be privatized in accordance with this Act.

- *70 % of the total capacity of generating assets of NPC should be privatized in order to start COMPETITION.*

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

How the COMPETITION will START?

Sec 31 of EPIRA provides five (5) conditions:

1. Establishment of WESM = venue for trading of electricity
2. Unbundling of Rates = to reflect cost of doing each service
3. Cross subsidy removal
4. 70% privatization of the total capacity of generating assets of NPC in Luzon and Visayas
=to generate private capital and to prevent market control
5. 70% transfer of management of the total energy output of power plants under contract with NPC to the IPP Administrators

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

Luzon Power Plants SOLD by PSALM as of December 31, 2010

Power Plant	Rated Capacity (in MW)	Location	Winning Bidder	Winning Bid Price (US\$)	Price (US\$/MW)
Barit Hydroelectric Power Plant	1.8	Camarines Sur	Atty. Ramon I. Constancio	\$0.48 Million	0.27
Cawayan Hydroelectric Power Plant	0.4	Sorsogon	Sorsogon II Electric Cooperative, Inc	\$0.41 Million	1.02
Pantabangan-Masiway Hydroelectric Power Plant	112	Nueva Ecija	First Gen Hydropower Corporation	\$129 Million	1.15
Magat Hydroelectric Power Plant	360	Isabela	SN Aboitiz Power Corporation	\$530 Million	1.47
Masinloc Coal-Fired Thermal Power Plant	600	Zambales	Masinloc-Power Partners Co. Ltd.	\$930 Million	1.55
Ambuklao-Binga Hydroelectric Power Complex	175	Benguet	SN Aboitiz Power Hydro Inc.	\$325 Million	1.86
Tiwi-MakBan Geothermal Power Plants	747.53	Albay, Laguna/Batangas	AP Renewables Inc.	\$446.89 Million	0.6
Batangas (Calaca) Coal-Fired Thermal Power Plant	600	Batangas	DMCI Holdings, Inc.	\$361.71 Million	0.60
Limay Combined-Cycle Power Plant	620	Bataan	San Miguel Energy Corporation	\$13.5 Million	0.02
Angat Hydro Electric Power Plant	218	Bulacan	Korea Water Resources Development Corp.	\$440.88 Million	2.02
BacMan Geothermal Power Plants	150	Albay, Sorsogon	Bac-Man Geothermal Inc.	\$28.25 Million	0.19

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

Visayas Power Plants SOLD by PSALM as of December 31, 2010

Power Plant	Rated Capacity (in MW)	Location	Winning Bidder	Winning Bid Price (US\$)	Price (US\$M/MW)
Loboc Hydroelectric Power Plant	1.2	Bohol	Sta. Clara International Corporation	\$1.42 Million	1.18
Panay and Bohol Diesel Power Plants	168.5	Iloilo, Bohol	SPC Power Corporation	\$5.86 Million	0.04
Amlan Hydroelectric Power Plant	0.8	Negros Oriental	ICS Renewables Inc.	\$0.23 Million	0.29
Limay Combined-Cycle Power Plant	620	Bataan	San Miguel Energy Corporation	\$13.5 Million	0.02
Palinpinon-Tongonan Geothermal Power Plants	305	Negros Oriental, Leyte	Green Core Geothermal Inc	\$220 Million	0.72
Naga Land-Based Gas Turbine Power Plant	55	Cebu	SPC Power Corporation	\$1.01 Million	0.02

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

Mindanao Power Plants SOLD by PSALM as of December 31, 2010

Power Plant	Rated Capacity (in MW)	Location	Winning Bidder	Winning Bid Price (US\$)	Price (US\$/MW)
Talomo Hydroelectric Power Plant	3.5	Davao	Hydro Electric Development Corporation	\$1.37 Million	0.39
Agusan Hydroelectric Power Plant	1.6	Agusan	First Generation Holdings	\$1.53 Million	0.93
Power Barge 118	100	Compostela Valley	Therma Marine Inc.	\$14 Million	0.14
Power Barge 117	100	Agusan del Norte	Therma Mobile Inc.	\$16 Million	0.16

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

What should we do?



Member-Consumer

NET METERING

(FOR RENEWABLE ENERGY)

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

DEFINITION

"Net Metering" refers to a system, appropriate for distributed generation, in which a distribution grid user has a two-way connection to the grid and is only charged for his net electricity consumption and is credited for any overall contribution to the electricity grid;"

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

DEFINITION

"Net Metering" allows customers of distribution utilities with an on-site renewable energy (RE) facility not exceeding 100 kilowatts (kW) in electricity capacity that they can generate for their own use. Any electricity generated that is not consumed by the customer is automatically exported to the DU's distribution system. The DU then gives a peso credit for the excess electricity received equivalent to the DU's blended generation cost, excluding other generation adjustments, and deducts the credits earned to the customer's electric bill.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

(FOR RENEWABLE ENERGY)

"Distributed generation" refers to a system of small generation entities supplying directly to the distribution grid, any one of which shall not exceed ONE HUNDRED KILOWATTS (100 kW) in capacity;

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

(FOR RENEWABLE ENERGY)

WHO CAN AVAIL OF NET METERING?

QUALIFIED END-USERS:

The ERC-approved Net-metering Rules allow electricity end-users who are updated in the payment of their electric bills to their distribution utility (DU) to engage in distributed generation.

“The fear of the LORD is the beginning of wisdom” Proverbs 9:10

NET METERING

(FOR RENEWABLE ENERGY)

QUALIFIED END-USERS (QE) CAN
AVAIL OF NET METERING AS THEY
OPT TO BE SUPPLIED *DIRECTLY*
WITH ELECTRICITY FROM
RENEWABLE ENERGY SOURCES SUCH
AS SOLAR, WIND, BIOMASS, BIOGAS
and other RE (100KW).

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING RULES

End-users can generate electricity from renewable energy (RE) sources like solar, wind, biomass or such other RE Systems not exceeding 100 kW that can be installed within the end-users' premises and supply the electricity they generate in excess of what they can consume directly to their DU.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

(INTERCONNECTION STANDARDS)

In a net-metering arrangement, the end-user maintains a two-way connection to the distribution system and is only charged or credited, as the case may be, for the difference between the electricity supplied by the DU (import energy) and the electricity it supplies to the DU during times when it has excess RE generation (export energy), both of which are metered using 2 uni-directional meters, one for import and one for export, or a single bi-directional meter.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

(FOR RENEWABLE ENERGY)

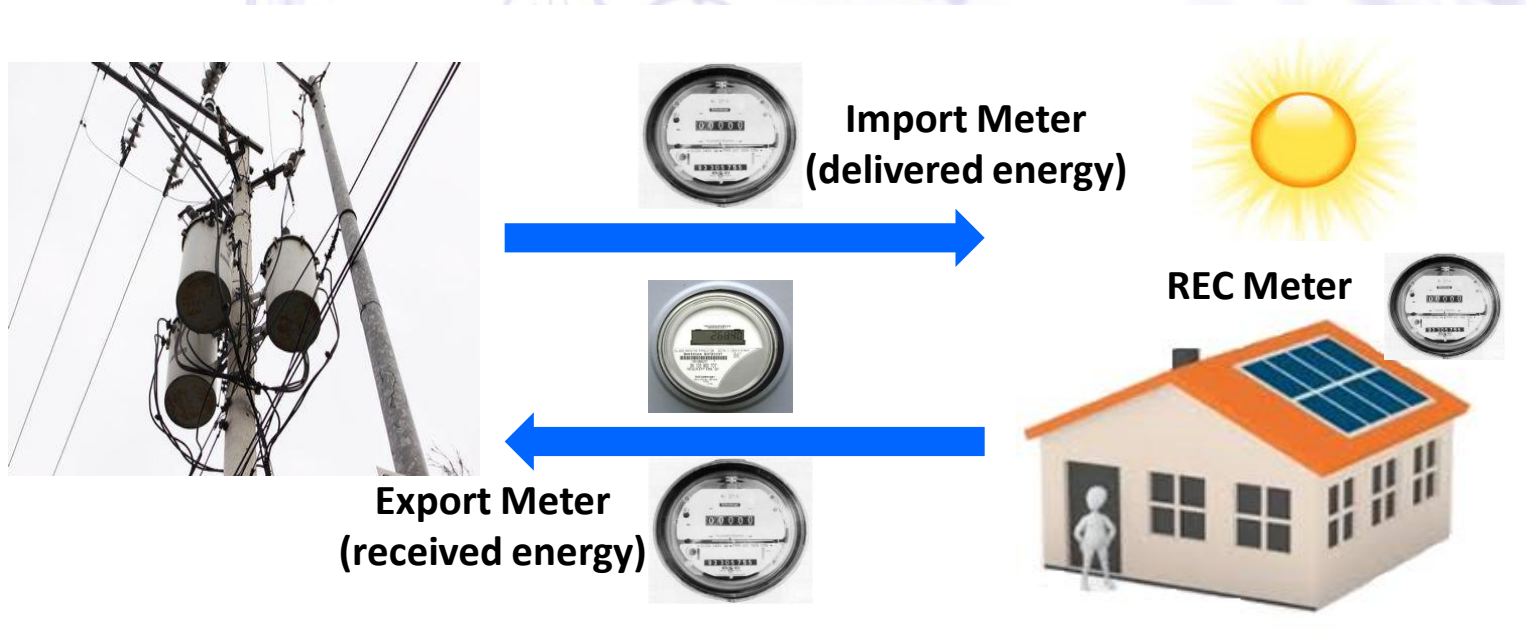
NM is characterized by:

**1. INTERCONNECTION
STANDARDS**

2. PRICING METHODOLOGY

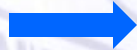
"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

Interconnection Set-Up



Either 2 uni-directional meters or one bi-directional meter. Third meter may also be installed to measure total RE generation.

Pricing Methodology



P5.6580

**Generati
on**

**Transmissi
on**

Distribution

SL: P0.4723

DSM: P1.9112

Subs: P0.1093

Tax: P0.9046

**UC: P0.1188 = P11.1106/kW
h**

End-User

P5.6580

+

P1.1839

+

Pricing Methodology

- ❑ Interim pricing for export energy is the DU's monthly charge based on its blended generation cost.
- ❑ This cost shall be automatically included in the DU's total generation cost to be recovered from all its customers.

Net-Metering Charge

- ❑ Net-metering charge is equivalent to PhP/customer/month supply and metering rates; plus the ERC-approved PhP/kWh metering rate based on export energy.
- ❑ DUs may file for a different net-metering charge, if necessary.

Billing Charge

Billing Charge:

PhP for import energy

Less: PhP export energy

PhP credited in previous month

TOTAL

If positive: QE shall pay this amount to DU

If negative: DU shall credit this amount to QE's next bill

NET METERING

(INTERCONNECTION STANDARDS)

Installation of either 2 uni-directional meters or 1 bi-directional meter.

The 1st Meter will record electricity supplied by the DU and consumed by the end-user at the rate/kWh approved by the ERC.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING

(INTERCONNECTION STANDARDS)

The 2nd meter will record electricity supplied (excess/unused RE electricity) by the end-user to the grid.

The cost of this electricity supplied by the end-user will be the generation cost by the DU for the same month.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

BASIC CONSUMER CONCERNS

R.A. 9136

GUARANTEES CONSUMERS

**1. SUFFICIENT,
RELIABLE, AND
SECURED SUPPLY
OF ELECTRICITY**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

BASIC CONSUMER CONCERNS

R.A. 9136

GUARANTEES CONSUMERS

2. LEAST COST

**SUPPLY OF
ELECTRICITY**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

BASIC CONSUMER CONCERNS

R.A. 9513

GUARANTEES INVESTORS

**1. ACCELERATED EXPLORATION
AND DEVELOPMENT
OF
ENERGY
RESOURCES
RENEWABLE**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

BASIC CONSUMER CONCERNS

R.A. 9513

GUARANTEES INVESTORS

2. INCREASING UTILIZATION OF RENEWABLE ENERGY RESOURCES

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

ADDRESSES THE GROWING DEMAND AND POWER SUPPLY SHORTAGE

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

NET METERING

**OFFERS CONSUMERS
THE
POWER OF
CHOICE**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

**OFFERS
CONSUMERS THE
POWER TO
MITIGATE THE
IMPACT OF
BLENDED & HIGH**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

PROVIDES a

CAPACITY

**100kW X 10 hrs.
X 30 days =
30,000 kWh**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

1kW cost P120K
1kW x 10 hrs. X 30
days = 300 kWh/mo.

300kWh/30days =

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

300kWh/30days =

10kWh/day

X 5.60/kWh gen.

cost

= P56.00

X 30 days

P1,680.00/mo.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

$$\begin{aligned} & \mathbf{P1,680.00/mo.} \\ \mathbf{X} & \quad \mathbf{12 \text{ months} =} \\ & \mathbf{P 20,160.00/year} \end{aligned}$$

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

P 20,160.00/year

X

15 years

P302,400.00

Less:

120,000.00

Return

P182,400.00

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

**100 kW or
30,000 kWh
can supply**

**60 Residential
houses
with
consumption of an**

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

P
AN ENERGY
COOPERATIVE CAN BE
THE SOLE POWER
SUPPLIER IN A GRID.



"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

NET METERING (RE)

CONSUMERS can lobby at ERC and demand that the DU charge consumers only for the service it has provided.

This will entitle consumers complete discounts on the gross charge.

"The fear of the LORD is the beginning of wisdom" Proverbs 9:10

29 September 2014

MR. PETE ILAGAN
President
National Association of Electricity Consumers for Reforms (NASECORE)
No. 1 Beta Bayview Homes Subdivision
Tacloban City, Philippines

SUBJECT: Request for Data on the Agus-Pulangui Hydropower Plants

Dear Mr. Ilagan:

We acknowledge receipt of the letter of National Association of Electricity Consumers for Reforms (NASECORE), dated 04 September 2014, requesting to be furnished with information related to the privatization of the Agus-Pulangui Hydropower Plants.

Thus, we provide you the indicative schedule and the status of plant performance and operation detailed below as reported to the Department of Energy (DOE) in our monthly status report:

I. Indicative Schedule of Privatization

The privatization of PSALM's remaining assets shall continue depending on the direction set by the DOE, consistent with its Energy Reform Agenda, or by other appropriate authorities. The schedule for the privatization of the remaining PSALM assets may change depending on the confluence of factors, including but not limited to, investors' interests and plant-specific concerns.

The following table shows the remaining assets for privatization and the indicative privatization schedules approved by the PSALM Board on 12 August 2013 and updated based on recent developments:

Indicative Privatization Schedule for Generation Assets
As of 31 August 2014

Plant Name	Rated Capacity (MW)	Bid Date	Turnover Date
Owned Generating Plants			
Angat Hydroelectric Power Plant	218.00	April 2010	2 nd Semester 2014
PB 101 (Diesel/Bunker)	32.00	2 nd Semester 2014	1 st Semester 2015

PB 102 (Diesel/Bunker)	32.00		
PB 103 (Diesel/Bunker)	32.00		
PB 104 (Diesel/Bunker)	32.00	2 nd Semester 2014	1 st Semester 2015
Naga Power Plant	153.10	1 st Quarter 2014	2 nd Semester 2014
Malaya Thermal Power Plant	650.00	Privatization is subject to DOE instruction	
Agus 1 & 2 Hydroelectric Power Plant	260.00	2017 (Subject to consultation with Congress as stated in the EPIRA)	
Agus 4 & 5 Hydroelectric Power Plant	213.10		
Agus 6 & 7 Hydroelectric Power Plant	254.00		
Pulangui Hydroelectric Power Plant	255.00		
Decommissioned Plants			
Sucat Thermal Power Plant	-	2 nd Semester 2014	1 st Semester 2015
Bataan Thermal Power Plant	-	Sale/disposal is subject to resolution of court cases involving the asset	

II. Status of Plant Performance and Operation of Agus-Pulangui

The power plants have incurred outages due to, among others, equipment failures and works being performed that placed these facilities unavailable for operation within the reporting period. These events affected the power assets' Forced Outage Rate and Availability Factor performances as shown below:

Status of Plant Performance 31 August 2014^{*}

Plants	Rated Capacity (MW)	Forced Outage Rate (FOR), %	Availability Factor (AF), %	Production Cost (PC), P/kWh	Actual Plant Heat Rate, BTU/kWh	Design Net Heat Rate, BTU/kWh	% Heat Rate Deviation
HYDRO							
Agus 1 & 2	260	0.000	100.00	0.0713	na	na	na
Agus 4 & 5	213.1	0.000	99.98	0.0357			
Agus 6 & 7	254	0.000	100.00	0.0315			
Pulangi IV	255	0.000	100.00	0.0453			

^{*} Based on the August 2014 Monthly Operational Reports (MOR) covering the billing period 26 July to 25 August 2014 submitted by Plant Management to PSALM and NPC; data/records subject to verification during plant audit by PSALM/NPC.

^{**} The Performance Standards and Measurement System for CY 2014 specifying the Plant Performance Measurement (PPM) Targets of Agus-Pulangui, PB 104 and PBs 101-102 were signed/approved by both PSALM and NPC Presidents. The CY 2014 targets for Angot and PB 103 were deferred since Angot is scheduled for turn-over to the new owner, while PB 103 was heavily damaged by Typhoon Yolanda last 08 November 2013 and its post repair plans are indefinite.

Additionally, the significant activities, unusual occurrences, and status of these plants are shown below:

Status of Plant Performance
31 August 2014*

Plant	Rated Capacity (MW)	Average Dependable Capacity ¹⁾ (MW)	Remarks
Agus 1 HEP			
- Unit 1	40	40.0	Operational
- Unit 2	40	40.0	Operational
Agus 2 HEP			
- Unit 1	60	22.0	Operational; Deration due to transformer temperature winding high (uses old transformer coming from Agus 6)
- Unit 2	60	60.0	Operational
- Unit 3	60	60.0	Operational
Agus 4 HEP			
- Unit 1	52.7	52.7	Operational
- Unit 2	52.7	52.7	Operational
- Unit 3	52.7	52.7	Operational
Agus 5 HEP			
- Unit 1	27.5	27.5	Operational; MOH (0.88h) to facilitate repair of its speed sensor on 28 July
- Unit 2	27.5	27.5	Operational
Agus 6 HEP			
- Unit 1	25	25.0	Operational
- Unit 2	25	0.0	Deactivated shutdown; on-going realignment activities with the NPC-CMTSD regarding re-centering of turbine shaft and exciter rotor assembly
- Unit 3	50	50.0	Operational
- Unit 4	50	35.0	Operational; deration due to generator winding temperature high
- Unit 5	50	49.8	Operational; DSH (3.67h) due to NGCP line maintenance on 29 July
Agus 7 HEP			
- Unit 1	27	27.0	Operational
- Unit 2	27	27.0	Operational
Pulangui IV HEP			
- Unit 1	85	85.0	RSH (69.6h) due to low water reservoir elevation
- Unit 2	85	84.6	RSH (10.7h) due to low water reservoir elevation; DSH (3.2h) due to back-flow operations
- Unit 3	85	84.8	RSH (18.6h) due to low water reservoir elevation; DSH (1.4h) due to back-flow operations

Rr 138%

* Based on the August 2014 Monthly Operational Reports (MOR) covering the billing period 26 July to 25 August 2014 submitted by Plant Management to PSALM and NPC; data/records subject to verification during plant audit by PSALM/NPC.

We note that Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" states that the privatization plan for Agus-Pulangui Hydropower Plants shall be subject to consultation with Congress. We will gladly provide you with more details once the said plan is approved and PSALM undertakes the sale process, in accordance with the Bid Procedures corresponding to it and the existing PSALM rules on Data Room access and conduct of site visits.

We thank you for your interest and best regards.

Very truly yours,


EMMANUEL R. LEDESMA, JR.
President and CEO

PSALM



IS THIS POSSIBLE? POSSIBLE?

*“If you believe, you will receive
whatever you ask for
in prayer.”*

(Matthew 21:22)

YES, BUT TOGETHER, WE MUST PRAY.

*“If you believe, you will receive
whatever you ask for
in prayer.”
(Matthew 21:22)*