

NOTICE OF INVITATION FOR THE PROSPECTIVE ANCILLARY SERVICES PROVIDERS

1. The National Grid Corporation of the Philippines (NGCP), calls anew all interested **grid connected merchant plants and Independent Power Producers** to participate in the provision of Ancillary Services (AS) in order to maintain the reliability and security of the power grids. All generating companies that are currently on commercial operations and have available, uncontracted capacity are invited to apply for accreditation and present its intent to offer AS, with priority for **Regulating Reserve, Contingency Reserve and Black Start Service** for Luzon, Visayas and Mindanao.
2. NGCP offers to pay the capacity required to ensure the reliability, integrity and security of the transmission system with the following fundamentals:

AS Types	Rate (PhP)	
	Firm	Non-Firm
a. Regulating Reserve	2.25/KW/hr	3.00/KW/hr
b. Contingency Reserve	1.50/KW/hr	2.25/KW/hr
c. Dispatchable Reserve	-	1.25/KW/hr
d. Reactive Power Support	-	4.00/kVAR/hr
e. Black Start (BS) Service	Monthly payment for O&M of BS engine + incidental energy payment	

3. NGCP offers to pay for the Incidental Energy which includes the variable operation & maintenance cost and the actual fuel cost.
4. Process of accreditation and acceptance of AS offers shall be conducted consistent with the latest versions of the Philippine Grid Code (PGC), Open Access Transmission Services (OATS) Rules and Ancillary Services Procurement Plan (ASPP).
5. An Ancillary Services Procurement Agreement (ASPA) will be executed for offers from providers that are accredited by the System Operator.
6. The ASPA shall be jointly filed by NGCP and AS Providers before the ERC following the provisions of ASPP which was approved on October 2007 by ERC under ERC Case No. 2005-049RC, as may be amended. The ASPA shall be implemented upon the grant of provisional authority or final approval by the ERC.
7. Prospective AS Providers may download copies of the 2006 ASPP, AS-CRM, ASPA template and AS Briefing Materials at www.ngcp.ph/customers. Prospective AS Provider may request for orientation/briefing through Ms. Lisaflor Bacani-Kater at (02) 863-7571 or lgbacani@ngcp.ph.
8. Application for accreditation and submission of AS offers can be tendered directly to:

Ma. Cynthia Y. Manrique
 Head, Revenue and Regulatory Affairs Department
 National Grid Corporation of the Philippines
 Quezon Avenue corner BIR Road, Diliman, Quezon City 1100
9. NGCP's billing to Customers and payment to AS Providers of the Ancillary Services is governed by the ERC-approved Ancillary Services Cost Recovery Mechanism and various ERC Orders, Rules and Regulations, which ensures no double payment and no unjust enrichment.