



The Basic Terms and Conditions of **ANCILLARY SERVICE PROCUREMENT AGREEMENT**

14 March 2011

Network Customer Access and Relations
Revenue and Regulatory Affairs

HEADS OF AGREEMENT (ASPA)



- Parties
- Terms and Conditions
- Ancillary Services Provision
- Scheduling and Dispatch
- Testing, Monitoring and Verification of Ancillary Services
- Applicable Rates
- Billing
- Payment
- Incidental Expenses
- Dispute Resolution Procedures

- Indemnity
- Force Majeure
- Re-dispatch
- Termination
- Assignment
- Notices
- Government Laws, Rules and Regulations
- Amendment
- Assignment
- Schedules

FREQUENTLY ASKED QUESTIONS



- ① WHO CAN APPLY AND WHAT SERVICES?
- ② ACCREDITATION TEST REQUIRED?
- ③ CONTRACT DURATION?
- ④ BILLING PERIOD AND PAYMENT DUE DATE?
- ⑤ BASIS OF PAYMENT?
- ⑥ AUTOMATIC NOMINATION?
- ⑦ ENERGY SETTLEMENT?
- ⑧ BILLING PAYMENT?
- ⑨ CONTRACT IMPLEMENTATION?



WHO CAN APPLY AND WHAT SERVICES?



Generators accredited by NGCP to provide any or all of the following:

1. Frequency Regulating Reserve
2. Contingency Reserve
3. Dispatchable Reserve
4. Reactive Power Support Service
5. Black Start Service



ACCREDITATION TEST REQUIRED?



- Prospective A/S Provider to hurdle the required certification process as defined by the Philippine Grid Code
- A/S capability tests will be conducted in accordance with the Ancillary Services Procurement Plan
- Tests shall be witnessed by the authorized representatives of System Operations.
- Philippine Grid Code allows NGCP to conduct such tests no more than twice a year.



CONTRACT DURATION?



- ❑ One (1) to Three (3) years contract
- ❑ Subject to renewal
- ❑ Automatic termination once the Reserve Market becomes operational



BILLING PERIOD AND PAYMENT DUE DATE?



- Billing Period** shall be on the 26th of the current month up to the 25th of the following month
- Payment Due Date** shall be on the last day of the month succeeding the end of the Billing Period



BASIS OF PAYMENT?



- No guaranteed payment upon nomination
- Capacity Scheduled



AUTOMATIC NOMINATION?



- A/S Provider prepares its hourly nomination capacity



- NGCP procures the capacity (KW)



- No guaranteed payment upon NOMINATION
- Basis of payment is the capacity as SCHEDULED



ENERGY SETTLEMENT?



- A/S Provider prepares its hourly nomination capacity



- NGCP procures the capacity (KW)



- Capacity dispatched to provide the required A/S

- No guaranteed payment upon NOMINATION
- Basis of payment is the capacity as SCHEDULED
- DISPATCH capacity (energy) is settled at the WESM or bilateral



BILLING PAYMENT?



- ❑ Billing shall be on “As collected” basis (NGCP pays whatever is collected from customers).



CONTRACT IMPLEMENTATION?



- Approval of grant of provisional authority of ERC
- Approval or grant of PA shall include the approval of the applicable A/S rates
- RRA to advise SO for the ASPA implementation





END OF PRESENTATION