



## **RCOA 101: A Guide for TENANTS**

***Q: I received a notice from the building admin that the building has changed its electricity supplier. Does this mean we will no longer get electricity from Meralco?***

A: No, **Meralco will still be distributing electricity to your building, however the electricity supplied to your building will no longer be sourced by Meralco.** Instead, this sourcing of power supply will be done by the Retail Electricity Supplier (RES).

***Q: Why change to a different supplier of electricity?***

A: The building management has decided to participate in Retail Competition and Open Access (RCOA), as allowed by RA 9136 or the Electric Power Industry Reform Act (EPIRA). Under RCOA, customers with monthly average peak demand of at least 1MW, dubbed as contestable customers by the Energy Regulatory Commission (ERC), are now able to **choose the supplier (RES) of their energy requirement.**

The **RES will directly contract on a wholesale level with power generation companies so that they can sell electricity to contestable customers at competitive rates.** In turn, these new rates will be the basis of the contestable customer, i.e., your building, in billing the generation charge portion of your monthly electricity bill.

***Q: What do you mean by 'competitive rates'? Does this mean we will now get lower electricity bills?***

A: The rates become 'competitive' because generation companies will be competing against each other so that they have sure buyers (i.e, RES) of the power they produce. Similarly, the RES will compete against each other to ensure that the power supply they purchase in bulk from the generation companies will have end-users (i.e. contestable customers). The entire power supply chain is thus made more competitive, ultimately allowing contestable customers to negotiate with the RES and enjoy the best available rates.

However, **competitive rates do not immediately translate to a lower electricity bill.** In a competitive market, the generation cost will now be subjected to the market forces of supply and demand. This means that electricity rate that will apply to your bill will depend on the market situation when your building's owner or property management office negotiated the rates. Other factors that may also affect the negotiated rates include the building owner's credit standing, payment history, and the building's electricity consumption pattern. Given these, the final impact to your bill may or may not vastly differ from the previous amount you were paying before RCOA\*

\*assuming kWh consumption remains constant

***Q: What if I'm not satisfied with the new rates I am billed with? Can the building owner or property manager choose another RES?***

A: As prescribed by the ERC's guidelines, contestable customers must source from their chosen RES for the duration of their contract period. Therefore the building owner or property manager must **remain with their chosen RES for the duration stipulated in the contract.** This should not stop them however, from "shopping around" and proactively inquiring on other RES' offerings so that they could be armed with more information once their present contract expires and they are free to entertain offers from other RES.

***Q: Can tenants be involved in selecting the RES?***

A: Unfortunately, tenants cannot directly be involved in the rates negotiation of the RES and the building owner or property manager. However the latter should represent the concerns and requirements of their tenants in the process of finding a RES that can give the best value in terms of rates and service.

***Q: What other services will the RES be providing?***

A: When a contestable customer chooses a RES to supply his power needs, this **RES will also be in charge of the customer's monthly billing and collection of payments**. Prior to RCOA, these tasks of energy sourcing, supply, billing and payment collection was done by the local distribution utility, Meralco.

***Q: Who will send me my monthly bill?***

A: **Tenants will still receive bill notices from their building admin and pay the electricity dues to them**. The building admin will course this payment to the RES who is now responsible for billing and collecting the payment of your building.

***Q: Does this mean we are no longer paying Meralco for anything?***

A: Since Meralco will still continue to distribute electricity to your building, **the corresponding distribution charge due to Meralco for rendering this service will now be reflected in the RES' monthly bill to the building**, which in turn is charged by the building admin to your monthly electricity dues.

***Q: Who do I turn to in case I have questions or complaints about my bill?***

A: **The building admin will still be your primary contact for billing concerns**. Should there be a need to escalate the concern, it is the admin's responsibility to contact the RES for handling.

***Q: Who do I turn to in case of power interruption or other electricity-related concerns?***

A: **The building admin will still be your primary contact for electricity-related concerns**. Should there be a need to escalate the concern, it is the admin's responsibility to contact Meralco for handling.