



RCOA 101: A Guide for PROPERTY MANAGERS

Q: What is RCOA?

A: Retail Competition and Open Access (RCOA) officially began in June 26, 2013. 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 of their energy requirement.

These suppliers, more commonly known as Retail Electricity Suppliers (RES), will directly negotiate and contract on a wholesale level with power generation companies so that they can sell electricity to contestable customers at competitive rates. This rate will be reflected in the generation charge portion of the bill, which typically comprises at least 50% of the monthly electricity bill.

Billing Summary	
BILL SUBGROUP	SUBTOTAL
Generation	14,354,389.00
Transmission	1,890,963.76
System Loss	1,006,330.50
Distribution (Meralco)	614,004.68
Subsidies	332,526.60
Government Taxes	1,810,389.01
Universal Charges	128,991.80
Other Charges	823,348.01
Total	20,960,943.35

Previously payable to Meralco, to be billed by the RES directly to the contestable customers

Sample bill from a large industrial customer

When a contestable customer chooses a RES to supply his 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.

RES now bills the customer

For inquiries please contact our Call Center at 16211 or visit our website at www.meralco.com.ph

Aboitiz Power
A Better Future

ELECTRIC BILL

Account Summary for Account Number [REDACTED]

Previous Amount Due	Payments & Credits	Balance from Previous Billing	Current Charges		Total Amount Due
			Amount Due	Due Date	

Warning: Avoid electric lines. Ensure your safety first. Do not touch any energized power lines. (See the attached poster 1011)

Q: What role will Meralco play in RCOA?

A: Meralco will still continue to distribute electricity to all contestable customers in its franchise area. The corresponding distribution charge due to Meralco for rendering this service will be reflected in the RES' monthly bill.

Moreover, all power distribution-related concerns like scheduled and unscheduled interruptions, new service applications for electricity, application for increased power requirements and energizing new facilities will still be coursed by the contestable customers to Meralco.

Q: What about non-contestable customers?

A: As defined by the ERC, non-contestable customers or captive customers are those who do not meet the monthly average peak demand of 1MW. These include all residential households and a significant number of commercial and industrial businesses.

Eventually, the 1MW minimum demand requirement to join RCOA will be lowered by the ERC to accommodate more customers. But until that time, Meralco will continue to source energy and act as the supplier, biller and payment collector, on top of being the distributor of electricity, for non-contestable or captive customers.

Q: How about residential or commercial tenants currently residing or operating in a condominium, office building or mall who is a contestable customer?

A: Tenants of condominiums, office buildings and malls who have contracted with a RES will still have to pay monthly electricity dues to their building admin, but certain changes may be encountered. First, the due date of electricity dues may now differ since there is a new billing and collecting entity. Second, the bill amount may vastly differ from previous bills since a significant portion of the electric bill, the generation charge, will now depend on the negotiated price between the RES and the property management office or the owner of the condominium building, office or commercial buildings.

Q: Why is RCOA being implemented in the first place?

A: RCOA was established in fulfillment of RA 9136 or the Electric Power Industry Reform Act (EPIRA). This law, approved in 2001, is designed to bring value-added services, improve efficiency and power supply to end-users through the introduction of competition in the electricity industry.