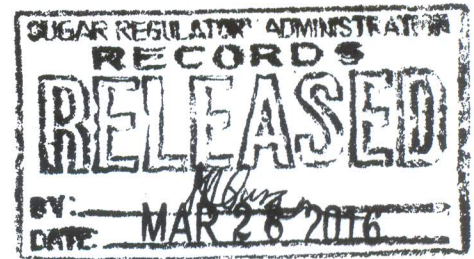




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
Sugar Center Bldg., North Ave., Diliman, Quezon City  
Philippines 1101  
TIN 000-784-336



MEMO-ADM-2016-Mar-011

March 22, 2016

**Sugar Order No. 6**  
Series of 2015-16

**Subject: Wholesale Electricity Spot Market (WESM) and Retail Competition Open Access (RCOA) System Training/Seminar for representatives of sugar mills, mills association, and SRA**

**WHEREAS**, SRA is mandated to promote the growth and development of the sugarcane industry through, among others, the conduct of or attendance to capability trainings and seminars for stakeholders to ensure continued economic viability of cane and sugar production;

**WHEREAS**, one area for development of the sugarcane industry is the diversification of sugar mills to commercial power generation (co-gen) by fully maximizing the potential of the bagasse, a renewable energy resource and by-product of sugar, produced by the extraction of the juice from the sugarcane, and used by sugar mills as feedstock for its high pressure boilers in generating electrical power;

**WHEREAS**, almost all sugar mills in the country have the potential of supplying electrical power to market particularly in identified power deficit areas in Mindanao and Visayas;

**WHEREAS**, investors and sugar mills have been asking SRA about the operations and relevance of the Wholesale Electricity Spot Market (WESM) as well as the Retail Competition Open Access (RCOA) System in connection with the sale of power under the spot market and or the Feed-in Tariff (FIT), which, admittedly, is beyond the expertise of SRA explain;

**WHEREAS**, it is important that investors and sugar mills wholly understand the operations of WESM, RCOA System, FIT, etc. and other concepts and regulations that cover power supply and market before committing to invest, expand and diversify into co-gen operations;

**WHEREAS**, sugar producers particularly sugar mills have agreed to contribute to SRA an additional lien/fee of two pesos, Philippine currency, per 50-kilogram bag of raw sugar (P2.00/Lkg) since Crop Year 2011-12 up to the present to fund projects for the development of the sugarcane industry, such as trainings and seminars on co-gen;



**WHEREAS**, it is likewise necessary for SRA personnel in the regulation, policy and planning, research and development, and legal departments to understand the concepts, operations, and dynamics of the power market to provide advice, direction and analysis to sugar mills as they (mills) decide whether to expand to co-gen;

**WHEREAS**, the PEMC, which acts as the market operator of the WESM, is the only competent party that can conduct trainings/seminars on WESM operations, RCOA, and open access and whose trainings/seminars are attended by representatives of the Department of Energy, Energy Regulatory Commission, power generators, distribution utilities, and other players in the power industry;

**NOW, THEREFORE**, by virtue of the authority vested in the Sugar Regulatory Administration, the following is hereby ordered:

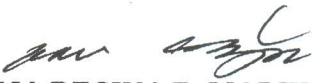
**Section 1:** From the fund of the P2.00 /Lkg contributed by the sugar mills, SRA shall pay for the registration fee of representatives of sugar mills, sugar mill associations, and SRA personnel from the regulation, policy and planning, research and development, and legal departments to the training or seminar on Wholesale Electricity Spot Market (WESM) and the Retail Competition Open Access (RCOA) conducted by the Philippine Electricity Market Corporation (PEMC) on April 13, 14 and 15, 2016 at the at the PEMC WESM Facility, Ortigas, Pasig City.

**Section 2:** The total number of participants for the PEMC training or seminar shall not exceed sixty (60) persons, of which forty-four (44) shall be representatives of sugar mills, twelve (12) shall be representatives of SRA from its regulation, policy and planning, research and development, and legal departments, and four (4) shall come from the Philippine Sugar Millers' Association, Inc. (PSMA).

**Section 3:** The authorized amount for the PEMC training/seminar covering not more than 60 participants shall be up to Five Hundred Four Thousand pesos, Philippine currency, (P504,000.00).

This Sugar Order shall take effect immediately.

**BY AUTHORITY OF THE SUGAR BOARD**

  
**MA. REGINA B. MARTIN**  
Administrator