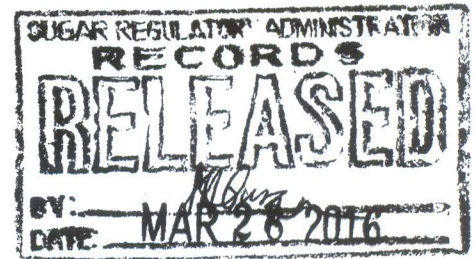




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
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MEMO-ADM-2016-Mar-011

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;



