QUEZON II ELECTRIC COOPERATIVE, INC.
(QUEZELCO II)
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QUEZELCO II is a non-stock, non-profit electric distribution utility duly organized under Presidential Decree No. 269, as amended, and incorporated on August 11, 1978, with principal office address at Barangay Gumian, Infanta, Quezon. Its journey began with the granting of a franchise on February 8, 1984, covering the mainland municipalities of Infanta, Real, and General Nakar, with validity until 2034. This was later expanded on October 12, 1990, to include the island municipalities of Polillo, Burdeos, and Panukulan, whose franchise will expire in 2040. Subsequently, on October 5, 2005, the franchise was further extended to cover the island municipalities of Jomalig and Patnanungan, also set to expire in 2034. Covering 129 barangays across 8 municipalities in Quezon Province, QUEZELCO II serves a population of 244,736 as per Philippine Statistics Authority (PSA) 2020 data, over an area of 3,125.68 square kilometers. The cooperative's customer base is predominantly residential, accounting for 93.16% of its connections and 64.80% of its energy sales.

At present, QUEZELCO II's Power Supply Agreement with GNPower is set to end by 2027. Due to the growing economy of the service area, the annual power requirement of QUEZELCO II based on Distribution Development Plan and Power Supply Procurement Plan (PSPP) forecast has also increased.

As contained in Resolution No. 16, Series of 2023 issued by the Energy Regulatory Commission (ERC), the guidelines for the procurement, execution, and evaluation of power supply agreements for distribution utilities will be followed to ensure a smooth transition and continued reliable service to their captive market. QUEZELCO II must initiate the Competitive Selection Process (CSP) as mandated by DOE Circular No. 2023-06-0021, which requires the CSP to begin no later than two years before the contract's termination. Additionally, the cooperative must inform the DOE five calendar days before the first publication, with all documents emailed to NEA and copied to DOE.

In compliance with the directives, QUEZELCO II has conducted Competitive Selection Process in year 2023. However, a failure of bidding was declared due to non-participation of a bidder.

To ensure that there will be an adequate power supply before end of year 2027 and in compliance with directives of the ERC, DOE and NEA, QUEZELCO II has submitted its final 2025-2034 Distribution Development Plan and Power Supply Procurement Plan (PSPP) for Grid Areas to the Department of Energy last 3 September 2025.

In which, the Department of Energy in its letter dated 12 September 2025 signed by Ms. Luningning G. Baltazar, Director IV, Electric Power Industry Management Bureau has approved the submitted 2025-2034 Distribution Development Plan and Power Supply Procurement Plan (PSPP) for Grid Areas. As advised in the letter, QUEZELCO II must post the approved 2025-2034 Distribution Development Plan and Power Supply Procurement Plan (PSPP) including this Narrative Report to the official website of the cooperative within fifteen (15) working days upon receipt of the letter.

VON ERWIN G. AZAGRA, PEE
General Manager

Service Beyond Power