

# **A Study on the Planning and Set-up of the Genco**

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## **Abstract**

According to the newly amended Electricity Act (become effective on January 26, 2017), Taiwan Power Company shall transform into a holding company with two subsidiaries, namely a generation company (the Genco) and a grid company (the Transco) in charge of power transmission, distribution and electricity retailing. The former's mission is to ensure stable power supply and protect consumers' rights and interests. It will be composed of the Division of Power Generation, the Department of Construction, and the Department of Nuclear and Fossil Power Projects (DNFPP). The purpose of this study is to develop a feasible plan for the Genco, regarding the company's organization design, business model, implementation steps and schedules, etc.

The premises of the transformation include: 1) compliant with corresponding regulations, 2) protect the rights and interests of employees, 3) elevate the company's operation efficiency and competitiveness. The methods of this study include literature review on worldwide cases and business models, and surveys of internal and external stakeholders (employees, regulator and experts). The main activities of this research are summarized as follows:

- 5 sessions of keynote speeches regarding the topics of mergers & acquisitions (year 2018);
- 14 sessions of communication meetings (accompanied with questionnaire surveys) in northern, central, southern, and eastern Taiwan (year 2019 to 2020);
- 5 sessions of supervisor interview meetings (year 2020);
- 4 sessions of keynote speeches at TPC headquarters regarding the topics of diversification (year 2020).

The diversified opinions of the interviewees will serve as the basis for dynamic adjustment and modification of organization transformation in this study.

In the end, this study recommends that there should be General Management Division, Business Group of Power Generation, Business Group of Electricity Maintenance, Business Group of Renewable Energy, and Business Group of Construction. And a feasible plan for the optimal business model of the Genco has been proposed, according to the opinions collected from the interviews and consultations- including the Genco's optimal organization, control model, business strategy, implementation schedule, and supporting measures.

Keywords: Electricity Act, Taipower, Generation Company, Optimal Business Organization