Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2018-08-0024

PROMULGATING THE RULES AND GUIDELINES GOVERNING THE ESTABLISHMENT OF THE RENEWABLE PORTFOLIO STANDARDS FOR OFF-GRID AREAS

WHEREAS, Republic Act (RA) No. 7638, otherwise known as the "Department of Energy (DOE) Act of 1992," declares as a policy of the State to, among others, ensure a continuous, adequate and economic supply of energy through the integrated and intensive exploration, production, management and development of the country's indigenous energy resources;

WHEREAS, RA No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or "EPIRA," declares as a policy of the State to, among others: (a) assure socially and environmentally compatible energy sources and infrastructure; and (b) promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;

WHEREAS, Section 37 of the EPIRA mandates the DOE to encourage private sector investments in the electricity sector and promote the development of indigenous and renewable energy (RE) resources;

WHEREAS, RA No. 9513, otherwise known as the "Renewable Energy Act of 2008" or the "RE Act," declares as a policy of the State to increase the utilization of RE by institutionalizing the development of national and local capabilities in the use of RE systems, and promoting their efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, the DOE launched the National Renewable Energy Program (NREP) on 15 June 2011 which aimed to establish a comprehensive approach to encourage greater private sector participation, through investments, in RE development;

WHEREAS, consistent with and pursuant to the objectives set forth under Section 6 of the RE Act, all stakeholders in the electric power industry are required to contribute to the growth of the RE industry in the country;

WHEREAS, Section 12 of the RE Act and Section 12, Rule 4, Part II of the Implementing Rules and Regulations (IRR) of the RE Act provide that the National Power Corporation-Small Power Utilities Group (NPC-SPUG) or its successors-in-interest and/or qualified third parties in Off-Grid Areas shall, in the performance of its mandate to provide missionary electrification, source a

minimum percentage of its total annual generation from RE resources available in their respective areas, as may be determined by the DOE;

WHEREAS, Section 4(ss) of the RE Act defines the Renewable Portfolio Standards (RPS) as "a market-based policy that requires electricity suppliers to source an agreed portion of their energy supply from eligible RE resources;"

WHEREAS, Section 15(h) of the RE Act prescribes that an RE Developer engaged in missionary electrification shall be entitled to a cash generation-based incentive per kilowatt-hour generated equivalent to fifty percent (50%) of the Universal Charge for power needed to service missionary areas where it operates the same, to be chargeable against the Universal Charge for Missionary Electrification (UC-ME);

WHEREAS, the National Renewable Energy Board (NREB) conducted working group meetings and public consultations on the draft rules implementing Section 12 of the RE Act in various locations in the country from 05 October up to 06 November 2017;

WHEREAS, on 04 December 2017, the NREB endorsed to the DOE its proposed version of the RPS Off-Grid Rules;

WHEREAS, the DOE conducted public consultations on 20 February 2018 in Puerto Princesa, Palawan, and on 27 February 2018 in Zamboanga City;

NOW, THEREFORE, the DOE hereby issues, adopts and promulgates the following rules and regulations:

RULE 1
GENERAL PROVISIONS

Section 1. Short Title. This Circular shall be known as the *"RPS Rules for Off-Grid Areas"* and shall hereinafter be referred to as the *"RPS Off-Grid Rules"* or *"Rules."*

Section 2. Purpose. This RPS Off-Grid Rules is hereby adopted in order to contribute to the growth of the RE industry in the Off-Grid and Missionary Areas by mandating electric power industry participants to source or produce a specified portion of their electricity requirements from eligible RE resources.

The RPS Off-Grid Rules is intended to rationalize the efficient use of the UC-ME and improve self-efficiency in power generation through integration of RE in the supply mix in Off-Grid Areas.

Section 3. Scope. This RPS Off-Grid Rules sets out the policies and guidelines on the following:

(a) Optimal Supply Mix with operational efficiency improvement and RE development;

(b) Types of eligible RE resources;

(c) Annual minimum RE requirements for each area;

(d) Annual minimum incremental percentage of electricity sold by the NPC-SPUG or its successors-in-interest, New Private Power Providers (NPP), Distribution Utilities (DU) with embedded generation facilities and Qualified Third Parties (QTP), which are required to source from eligible RE resources;

(e) Minimum requirements for the technical feasibility and stability of Small Grids where RE generation facilities shall be connected;

(f) Dispatch of RE resources to meet the annual minimum requirements of an area;

(g) Procurement by the Mandated Participants of the minimum RE requirement for each area or in their respective supply portfolios; and

(h) Means of compliance by the Mandated Participants of the minimum percentage set herein to meet the baseline RE requirements.

Section 4. Definition of Terms. As used in this Rules, the following terms shall be defined as follows:

(a) *"**Cash Generation-Based Incentive**"* refers to the subsidy that any eligible RE Developer is entitled to under the RE Act;

(b) *"**Contingency Reserve**"* refers to that portion of a plant's capacity placed on reserve to cover for the breakdown of the largest unit in the Small Grid or for the regulation and control of the intermittency of RE resources;

(c) *"**Embedded Generation**"* refers to generating units that are directly connected to the distribution system of a DU or indirectly connected to the transmission system;

(d) *"**Force Majeure**"* refers to typhoons, storms, tropical depressions, flooding, drought, volcanic eruptions, earthquakes, tidal waves or landslides, or acts of a public enemy, wars (with or without Congressional declaration), riots, insurrections, revolutions, acts of sabotage, blockades or any violent and threatening actions, as well as uncontrollable conditions that may

result or would likely lead to the extraordinary disruption of operations of the RE Developer, Generation Company, or DU;

(e) *"**Generation Company**"* refers to NPC-SPUG, its successors-in-interest, or any entity supplying power to a DU or Directly-Connected Customer;

(f) *"**Minimum Renewable Energy Requirement**"* refers to the RE off-grid development mechanism under the RE Act that requires the Mandated Participants described under Section 11 of this Rules to source a minimum percentage of their total annual generation from available RE resources;

(g) *"**Missionary Area**"* refers to areas that are not connected to the national transmission backbone;

(h) *"**Missionary Electrification Development Plan**"* or *"**MEDP**"* refers to the Government's plan, developed and updated by the DOE, to achieve energy access in Off-Grid or Missionary Areas nationwide. It shall contain, among others, the policies and programs that will be implemented to sustain the provision of adequate, reliable and efficient supply of electricity in Off-Grid Areas or Missionary Areas, and enable the communities found therein to receive the benefit of sustainable and least-cost electrification solutions and services;

(i) *"**Missionary Electrification Plan**"* or *"**MEP**"* refers to the five-year plan of the National Power Corporation, updated annually, to implement its missionary electrification function and forms part of the MEDP;

(j) *"**National Power Corporation**"* or *"**NPC**"* refers to the Government corporation created under RA No. 6395, as amended;

(k) *"**New Private Power Provider**"* or *"**NPP**"* refers to the entity that has taken over the generation function of NPC-SPUG, partly or wholly, authorized by the Government to produce and supply electricity to Off-Grid or Missionary Areas;

(l) *"**NPC Small Power Utilities Group**"* or *"**NPC-SPUG**"* refers to the functional unit of the NPC which was created to pursue its missionary electrification function;

(m) *"**Off-Grid Area**"* refers to any area that is not connected either to the national transmission system, any distribution network, or other related facilities;

(n) *"**Optimal Supply Mix**"* refers to the total generation mix derived from various fuel technologies that shall provide the supply of electricity in the least-cost and reliable manner with due consideration to the Government

policies on rational utilization of RE sources and the UC-ME as defined in the MEDP;

(o) *"**Qualified Third Party**"* or *"**QTP**"* refers to the alternative service provider authorized to provide electric power supply to areas which were waived by franchised DUs pursuant to Section 59 of EPIRA;

(p) *"**RE Developer**"* refers to individuals or juridical entities created, registered and/or authorized to operate in the Philippines in accordance with existing Philippine laws and are engaged in the exploration, development or utilization of RE resources and actual operation of RE systems/facilities. It shall include existing entities engaged in the exploration, development and/or utilization of RE resources, or the generation of electricity from RE resources, or both;

(q) *"**Small Grid**"* refers to the backbone system of the interconnected high-voltage lines or medium-voltage lines, substations, and other related facilities not connected to the national transmission backbone grid in Luzon, Visayas and Mindanao or in the absence of a transmission system, this could refer to the distribution system in which generation facilities and associated facilities are directly connected. For the purpose of this Rules, Small Grid shall include areas serviced by QTPs;

(r) ***"Subsidized Approved Generation Rate" or "SAGR"*** refers to the generation rate, expressed in Peso per Kilowatt-hour, which the ERC has approved for a DU to charge its consumers for electricity generation services;

(s) *"**System Operator**"* refers to the party responsible for generation dispatch, the provision of ancillary services, and operation and control to ensure safety, power quality, stability, reliability, and the security of the grid, as defined under the Philippine Small Grid Guidelines issued by the Energy Regulatory Commission (ERC); and

(t) *"**True Cost Generation Rate**"* or *"**TCGR**"* shall refer to the rate as approved by the ERC, expressed in Peso per Kilowatt-hour, which will allow the recovery of just and reasonable costs, including a reasonable return on the RE investment, to enable NPC-SPUG or its successors-in-interest and NPPs to operate viably.

Furthermore, this Rules hereby adopts by reference the terms defined in the EPIRA and RE Act and their respective IRRs.

RULE 2
RPS POLICY, MINIMUM ANNUAL REQUIREMENT AND ANNUAL INCREMENT

Section 5. ***The Off-Grid Renewable Energy Development Policy***. Consistent with Section 12 of the RE Act and Section 12, Rule 4, Part II of the RE Act IRR, it is hereby mandated that the NPC-SPUG or its successors-in-interest and/or QTPs in Off-Grid Areas shall, in the performance of their mandate to provide missionary electrification, source a percentage or all of their energy requirements or supply, as the case maybe, from eligible RE resources.

Section 6. ***Optimal Supply Mix***. All Mandated Participants shall contribute in the attainment of an Optimal Supply Mix in their respective Off-Grid and Missionary Areas. The MEDP shall define the guidelines and parameters for setting the Optimal Supply Mix in Off-Grid and Missionary Areas.

Section 7. ***Minimum Annual RPS Requirement***. All Mandated Participants shall be required to generate and/or procure, supply and subsequently maintain a minimum percentage of RE share in their energy portfolio to meet the minimum RE requirement in their area which shall be consistent with the Optimal Supply Mix prescribed in the MEDP, including the respective minimum requirements of each Mandated Participant operating or present in the area.

The minimum RE percentage share shall consider any or a combination of the following:

(a) Generation of all existing identified RE resources in the area;

(b) Adoption of hybrid or distributed RE generation systems, whenever feasible;

(c) Stable operation of existing generating units and reliability of the grid with the entry of an RE generation facility consistent with existing and applicable performance standards; and

(d) The capacity corresponding to the above minimum RE generation shall ensure optimal penetration of RE generation while maintaining stable, reliable and adequate supply of electricity, which are further subject to the following:

    (i) All DUs shall include in their respective Distribution Development Plans (DDPs) the calculations of the Minimum RE Generation Requirement of their respective Small Grids or Off-Grid Areas, taking into account the actual RE generated by all existing Eligible RE Facilities within their franchise areas;

(ii) In cases where there are no viable RE resources in the area, the Mandated Participants shall still be obligated to comply with the RPS requirements as required by the RE Act;

(iii) To ensure transparency and proper planning without sacrificing grid stability, the DOE shall consult the National Electrification Administration (NEA), NPC, and DUs, as part of its due diligence in awarding RE Service Contracts (RESC) and/or Certificates of Registration (COR) in Off-Grid or Missionary Areas.

Section 8. ***Minimum Annual Incremental RE Percentage***. The following shall guide the Mandated Participants in complying with this RPS Off-Grid Rules:

(a) The Baseline RE requirement, including the annual incremental RE generation in each of the Off-Grid or Missionary Areas shall be determined by the Composite Team, created under Section 17 hereof; *Provided*, That the actual RE generation after the Baseline Year 2018, shall not be lower than one percent (1%) and the full implementation thereof shall be for year 2020;

(b) The Composite Team, in its recommendation to the DOE Secretary, shall consider the entry of additional RE capacity based on the economic and technical feasibility of the project in the area;

(c) To ensure the efficient and successful implementation of the objectives of Off-Grid RE development, the DOE, in collaboration with the NEA and NPC, shall develop a system to support the capacity building of the Mandated Participants including but not limited to:

(i) The development or the use of a tool or any internationally accepted optimization software that may be used by the Mandated Participants in the planning and implementation of their respective Minimum RPS Compliance Plan that shall be submitted to the DOE; and

(ii) With respect to DUs, the Minimum RPS Compliance Plan shall form part of their respective DDPs.

RULE 3
ELIGIBLE RE FACILITIES AND UC-ME SUBSIDY ENTITLEMENT AND MANDATED PARTICIPANTS

Section 9. Eligible RE Facilities. For the purpose of this Rules, the Eligible RE Facilities utilizing the following technologies and resources shall be:

(a) Biomass;
(b) Waste-To-Energy Technology;
(c) Wind Energy;
(d) Solar Energy;
(e) Run-of-River Hydroelectric Power Systems;
(f) Impounding Hydroelectric Power Systems;
(g) Ocean Energy;
(h) Hybrid systems as defined in the RE Act with respect to the RE component;
(i) Geothermal Energy; and
(j) Other RE technologies which may be later identified by the DOE.

Provided, That for the RE facilities utilizing these technologies to be eligible under the RPS compliance and to be attributed the corresponding RE Certificates (REC), they shall have been in commercial operations after the Effectivity of the RE Act.

Section 10. ***Generation from Eligible RE Facilities for RPS Compliance.*** Eligible RE Facilities shall have the following requirements for compliance with the RPS:

(a) New RE installations included in the MEDP;

(b) Incremental RE capacity resulting from any of the following:

(i) Expansion of an existing RE generation facility;
(ii) Upgrading of an RE-based power generation facility;

Provided, That such incremental capacity has been in commercial operation after the Effectivity of the RE Act. The Composite Team shall determine the eligible component of such capacities;

(c) New capacities resulting from a change in the technology, i.e., from a non-RE to RE Generation Facility, *Provided*, That such change in technology has been in commercial operation after the Effectivity of the RE Act;

(d) Mothballed RE generation facilities that are restored into operation, *Provided*, That such restoration has been operational after the Effectivity of the RE Act; and

(e) Other types of RE generation facilities as may be later identified by the DOE.

To ensure stability and reliability of the grid, a system or distribution impact study shall be conducted by the DU or transmission service provider which shall comply with the applicable provisions of the Philippine Small Grid Guidelines

(PSGG) and Philippine Distribution Code (PDC) for each proposed RE generation facility.

Mandated Participants shall ensure the compatibility of such RE generation facility with existing plants and transmission or distribution systems in the Small Grids or Off-Grid Areas, as well as determine the associated support and protection requirements.

Section 11. ***RPS Mandated Participants***. Unless otherwise provided, the following are mandated to comply with the RPS Off-Grid Rules:

(a) Generation Companies including NPC-SPUG, NPPs, and QTPs; and

(b) DUs and local government-operated electric systems with respect to their own embedded generation facilities.

The DUs as agreed with the Mandated Participants, shall facilitate the timely conduct of the Competitive Selection Process (CSP) corresponding to the minimum RE component of their respective franchise areas and the subsequent equitable allocation of the RE generated among the Mandated Participants. However, Mandated Participants have the option to construct their own RE Facilities or contract its minimum RE requirement.

Section 12. ***RPS Generation Targets***. Each Mandated Participant shall be guided by the RE generation targets established under Sections 7 and 8 of this Rules and subsequently identified by the DOE in the MEDP, and in the respective DDPs of the DUs.

Section 13. ***Procurement of RE Requirements***. The procurement of RE Requirements by Mandated Participants in compliance with this Rules shall be guided by the following:

(a) RE Developers which have acquired or are in possession of the appropriate RESC or COR with the DOE are qualified to bid on the minimum RPS requirements as they are considered as NPPs under DOE Circular No. 2004-01-001 and other subsequent issuances by the DOE;

(b) In procuring RE requirements, the most advantageous RE generation offer that will redound to a higher net reduction in the UC-ME requirement of the Small Grids or Off-Grid Areas, inclusive of the cash incentive if availed, shall be awarded the pertinent Power Supply Agreement (PSA);

(c) All DUs have the option to develop their own RE generation facility; *Provided,* That the DU shall register as a RE Developer with the DOE. In such cases, the DU shall conduct competitive bidding for the development and/or operation of its RE generation project.

In no case shall the compliance with this Rules result in higher electricity rates to the consumers.

Section 14. ***Dispatch of RE Generation Required under the RPS Rules***. RE generation facilities shall be given priority dispatch to the extent of the demand of the Small Grids or Off-Grid Areas, without affecting grid reliability and security.

In this regard, the ERC shall develop a new regulatory framework which considers the changes to the contractual obligations of the Mandated Participants brought about by the requirements set forth under the Rules.

With the exception of QTPs, the RE Developer shall submit its week-ahead daily capability nomination and day-ahead hourly capability nomination to the System Operator in order to effectively implement its priority dispatch. The RE Developer shall also inform the System Operator of any changes to the hourly capability of its RE generation facility.

The System Operator shall be guided by the following:

(a) The dispatch of RE generation facility and other generation facilities shall follow economic merit order and the dispatch protocols based on existing applicable rules and regulations; and

(b) In the event that there are more than one RE generation facilities in the area, priority dispatch shall be given to the RE generation facility with the least True Cost Generation Rate (TCGR), inclusive of cash-based incentives, if availed of by the RE Developer.

Section 15. ***Review of RPS***. This Rules and other relevant requirements, shall be reviewed by the DOE, in consultation with the stakeholders, on or before September 30 of each year or as may be necessary, to ensure its alignment with the NREP.

Such review shall consider, among others, the emerging RE technologies, the existence of registered RE projects and changes in the criteria of Eligible RE Facilities; *Provided Further,* That any change in the criteria for Eligible RE Facilities should not result in any additional obligation to the Mandated Participants;

The RPS generation targets as approved by the DOE shall form part of the NREP and the MEDP.

RULE 4
COMPLIANCE MECHANISMS AND RENEWABLE ENERGY CERTIFICATE

Section 16. ***Compliance Mechanisms***. The Mandated Participants may use any of the following instruments in complying with this RPS Off-Grid Rules:

(a) Generation supplied by NPC-SPUG from its own or contracted Eligible RE Facilities covered by PSAs duly issued a Certificate of Compliance (COC) or Permit to Operate (PTO) by the ERC;

(b) Generation supplied by NPP or QTP from its RE generation facilities which are covered by the PSAs with the DUs, and the COCs or PTOs duly issued by the ERC;

(c) Generation from embedded RE generation facilities of the DUs which are covered by the PSAs and the COCs or PTOs duly issued by the ERC; and

(d) Purchased or acquired RE Certificates (REC) in the RE Market as defined by the DOE in a separate issuance.

RULE 5
COMPOSITE TEAM

Section 17. ***Creation of Composite Team.*** For the purpose of implementing the provisions of this Rules, a Composite Team, chaired by a DOE Undersecretary or a DOE Assistant Secretary duly designated by the Secretary, is hereby created with the following members:

(a) DOE Renewable Energy Management Bureau (REMB) Director or his/her designated representative;

(b) DOE Electric Power Industry Management Bureau (EPIMB) Director or his/her designated representative;

(c) NREB Chairman or his/her designated representative; and

(d) Representative from the RE Registrar.

The representatives from the NEA and the Power Sector Assets and Liabilities Management Corporation shall serve as resource persons and/or observers to the Composite Team.

The DOE Legal Services shall provide legal assistance and support to the Composite Team in cases of disputes arising from compliance under this Rules

or such other legal issues that may be referred to Legal Services in connection with the interpretation of this Rules.

The Technical Services Management Division of the REMB shall provide technical and administrative support to the Composite Team.

Section 18. ***Responsibilities of the Composite Team.*** The Composite Team shall:

(a) Compute the minimum annual RPS requirement per Mandated Participant;

(b) Submit a Compliance Report of Mandated Participants to the DOE Secretary, ERC and NREB, after the review and validation of the pertinent information gathered from the RE Registrar;

(c) Establish the procedure and criteria for evaluating compliance by Mandated Participants including any requests for suspension of or carry-over of compliance with the RPS by Mandated Participants;

(d) Recommend the suspension of or carry-over of compliance with the RPS of any Mandated Participant;

(e) Review, on an annual basis, the cost implication of the minimum annual RPS requirement, nationally and per Mandated Participant; and

(f) Perform such other responsibilities and roles as directed by the DOE Secretary through a separate issuance.

RULE 6
SUSPENSION OR CARRY-OVER OF COMPLIANCE WITH THE ANNUAL RPS REQUIREMENT

Section 19. ***Suspension or Carry-Over of Compliance.*** The DOE may, in any given year, suspend or carry-over compliance of the Mandated Participant with the Annual RPS Requirement, as the case may be, after its determination of the existence of any or all of the following conditions:

(a) Inadequate supply of the Eligible RE generation facilities to meet the annual requirement;

(b) Inadequate supply of RECs to meet the annual requirement;

(c) Unavailable capacity from the transmission and/or relevant distribution network to transport the Eligible RE Facilities to the Small Grids or Off-Grid Areas;

(d) Occurrence or existence of Force Majeure affecting or preventing the Mandated Participant from complying with the annual requirements; or

(e) Such other consideration or condition, economic or otherwise, which is outside the control of the Mandated Participant as may be determined by the DOE.

In all cases, the Mandated Participant seeking suspension of compliance must demonstrate to the DOE that the condition was beyond its control and that it exerted all reasonable efforts to comply, notwithstanding the condition. Proof of such condition may include but shall not be limited to, a statement from the RE Registrar of the actual conditions reflecting any of the above circumstances. Such a statement shall be sufficient to prove that the situation is beyond the control of the Mandated Participant.

The DOE may, in lieu of suspending compliance of the Mandated Participant, allow the Mandated Participant to carry over the compliance shortfall for a period of two (2) years. The request for suspension of compliance of the Mandated Participant shall be deemed approved by the DOE after the lapse of sixty (60) days from date of its submission without action from the latter. Failure of the Mandated Participants to comply with the shortfall by the end of the carry-over period granted shall subject the Mandated Participant to the administrative liability under Section 21(a), Rule 7 of this Rules.

RULE 7
PROHIBITED ACTS AND SANCTIONS

Section 20. ***Monitoring and Enforcement of Compliance with the RPS for Off-Grid Areas***. The Mandated Participants shall submit compliance reports to the DOE within fifteen (15) days after the beginning of each month. Pursuant to Section 35 of the RE Act, the DOE shall impose appropriate sanctions against any Mandated Participant for non-compliance or violation of this RPS Off-Grid Rules.

Section 21. ***Penalties for Non-Compliance***. Consistent with RE Act, its IRR and this Circular, the following administrative and criminal sanctions may be imposed:

(a) **Administrative Liability**. The DOE may impose a penalty ranging from a minimum of One Hundred Thousand Pesos (P100,000.00) to Five Hundred Thousand Pesos (P500,000.00) or, upon its discretion, may

recommend to the appropriate government agency for the revocation of the Mandated Participant's license, franchise or authority to operate.

(b) **Criminal Liability**. In accordance with Section 36 (Penalty Clause) and Section 35 (Prohibited Acts) of the RE Act, any person who fails to comply with or violates the RPS Off-Grid Rules shall be imposed with the penalties provided under the RE Act. Any person who willfully aids or abets the commission of such failure or violation or who causes the commission of any such act by another shall be liable in the same manner as the principal.

In the case of associations, partnerships, or corporations, the penalty shall be imposed on the partner/s, president, chief operating officer, chief executive officer, director/s or officer/s responsible for the violation.

The failure of such person/s to comply with the RPS Off-Grid Rules, upon conviction thereof, shall be meted the penalty of imprisonment of one (1) year to five (5) years, or a fine ranging from a minimum of One Hundred Thousand Pesos (₱100,000.00) to One Hundred Million Pesos (₱100,000,000.00), or twice the amount of damages caused or costs avoided for non-compliance, whichever is higher, or both upon the discretion of the court.

This is without prejudice to the penalties provided for under existing environmental regulations prescribed by the DENR or any other concerned government agency.

The DOE Rules of Practice and Procedure shall be applicable to cases for the imposition of the foregoing penalties.

In no case shall a fine or penalty imposed on a Mandated Participant be charged to any of its customers or be considered a substitute for compliance.

RULE 8
TRANSITORY AND OTHER PROVISIONS

Section 22. ***Transition Period***. A Transition Period of two (2) years from the commencement of the operations of the RE Market or the Effectivity of this Rules, whichever is earlier, is hereby provided to ensure an orderly, efficient and effective imposition of the latter. The period will allow the Mandated Participants to prepare all information and data required in the establishment of the baseline to be determined by the DOE, prepare their respective compliance mechanisms, as well as prepare the consumers for the impact of this Rules. For such purposes, all Mandated Participants are hereby directed to commence planning for their respective RPS compliance requirements from Effectivity of this Rules.

Upon the lapse of the Transition Period, mandatory compliance with the RPS shall commence.

Section 23. ***Reportorial Requirements***. The DOE shall establish a database required for the implementation of the RPS Off-Grid Rules and in view thereof, shall require the Mandated Participants to submit the following documents from the Effectivity of this Rules:

(a) Power Supply Agreements;

(b) Implementation plan to meet the minimum RPS requirement to the DOE prior to the start of each year;

(c) For DUs:

  (i) Energy purchases from RE resources broken down by generation facility;

  (ii) Energy purchases from NPC-SPUG segregated into RE and non-RE based resources; and

  (iii) Energy output from its embedded RE generation facilities.

(d) NPC-SPUG or its successors-in-interest shall be required to submit data on their RE and non-RE energy sales to directly connected customers, if any, aside from their energy sales to DUs;

(e) NPC shall include and submit the following to the DOE as part of its MEP:

  (i) RE generation development plan for each island or area in the Off-Grid Areas; and

  (ii) List of Connection Agreements with RE Developers interconnected to NPC-SPUG's transmission system.

Section 24. ***Information, Education and Communication (IEC) Activities***. Pursuant to Section 31, Rule 10 of the IRR of the RE Act, the DOE shall develop a comprehensive IEC campaign that is designed to increase the public awareness and appreciation of the RPS Off-Grid Rules and the RE industry, in general.

Section 25. ***Regulatory Support***. The ERC shall provide regulatory support for the timely and effective implementation and compliance of the Mandated Participants of the provisions of this Rules. To ensure that the objectives of this Rules are met, the DOE and ERC shall conduct regular coordination meetings, to be called by either of the two agencies.

Section 26. ***Separability Clause***. Should any provisions of this Rules be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 27. ***Repealing Clause***. All previous issuances, rules and regulations inconsistent with this Circular are hereby repealed, amended or modified accordingly.

Section 28. ***Effectivity***. This Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. Copies of this Circular shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.

ALFONSO G. CUSI
Secretary

DEPARTMENT OF ENERGY
IN REPLYING PLS. CITE:
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Republic of the Philippines

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