



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC 2013-03-0003

**CREATING AN INTER-AGENCY STEERING COMMITTEE FOR THE
DEVELOPMENT AND FORMULATION OF A COMPREHENSIVE AND HOLISTIC
SMART GRID POLICY FRAMEWORK AND ROADMAP FOR THE PHILIPPINE
ELECTRIC POWER INDUSTRY**

WHEREAS, Section 2 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) provides that it is a declared policy of the State to ensure the quality, reliability, security and affordability of supply of electric power and to protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;

WHEREAS, Section 37 of the EPIRA mandates the Department of Energy (DOE) to supervise the restructuring of the electric power industry and undertake among others, the following:

- (i) Formulate policies for the planning and implementation of a comprehensive program for the efficient supply and economical use of energy consistent with the approved national economic plan and with the policies of environmental protection and conservation and maintenance of ecological balance, and provide a mechanism of the integration, rationalization and coordination of the various energy programs of the Government;
- (ii) Encourage private sector investments in the electricity sector and promote development of indigenous and renewable energy sources;
- (iii) Facilitate and encourage reforms in the structure and operations of distribution utilities for greater efficiency and lower costs;
- (iv) Develop policies and procedures and, as appropriate, promote a system of energy development incentives to enable and encourage electric power industry participants to provide adequate capacity to meet demand including, among others, reserve requirements;
- (v) Assess the requirements of, determine priorities for, provide direction to, and disseminate information resulting from energy research and development programs for the optimal development of various forms of energy production and utilization technologies; and

- (vi) Formulate such rules and regulations as may be necessary to implement the objectives of EPIRA.

WHEREAS, Smart Grid uses innovative technologies to modernize electric grid infrastructure to effectively address 21st century challenges of consumer empowerment, energy supply flexibility and security, electric grid performance and asset utilization and environment protection;

WHEREAS, there are electric power industry participants that have adopted and implemented some level of Smart Grid initiatives in their operations;

WHEREAS, the DOE deems it necessary to develop a Smart Grid Policy and Roadmap in a holistic and sustainable manner in order to ensure and encourage greater participation from all stakeholders of the electric power industry and promote technology innovation, business growth and job creation thereby enhancing regional and global competitiveness of the Philippines;

NOW, THEREFORE, for and in consideration of the foregoing premises, the DOE hereby issues the following policies to institutionalize and prepare for the development of a National Smart Grid Policy and Roadmap:

Section 1. Creation of an Inter-Agency Steering Committee. A Steering Committee is hereby created to be composed of members representing the Department of Energy (DOE), National Power Corporation (NPC), National Transmission Corporation (TransCo), National Electrification Administration (NEA), National Grid Corporation of the Philippines (NGCP), and Philippine Electricity Market Corporation (PEMC).

The Inter-Agency Steering Committee shall be chaired by the DOE Secretary or his/her designated alternate with the rank of Undersecretary. Said committee shall be supported by a Technical Secretariat to be composed of representatives from the DOE and its attached agencies.

Section 2. Powers and Functions of the Inter-Agency Steering Committee. The Inter-Agency Steering Committee shall have the following functions:

1. To create or form the necessary Technical Working Groups (TWGs);
2. To invite other concerned government agencies and private organizations, group or individuals as members and resource persons hereof, in order to assist in the development of the Smart Grid Roadmap, including but not limited to, Department of Trade and Industry (DTI), Department of Science and Technology (DOST), Energy Regulatory Commission (ERC), Grid Management Committee

(GMC), Distribution Management Committee (DMC), Institute of Integrated Electrical Engineers (IIEE), and other stakeholders such as Philippine Independent Power Producers Association (PIPPA), Philippine Electric Plant Owners Association (PEPOA), Distribution Utilities, academe, customer groups and other groups or persons as may be identified by the DOE and the Inter-Agency Steering Committee;

3. To meet on a regular basis for the purpose of monitoring and evaluating the implementation of the Smart Grid and recommend such required innovations or improvements in the implementation process;
4. To tap funding or grant from bilateral or multilateral funding institution willing to finance Smart Grid initiatives;
5. To submit regular reports to the DOE Secretary on the progress of its undertaking; and
6. To perform such other tasks necessary for the effective accomplishment of this Circular.

Section 3. Deliverable of the Inter-Agency Steering Committee. The Inter-Agency Steering Committee shall have the following deliverables:

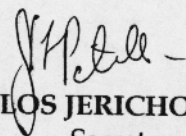
1. To propose the National Strategy for the Smart Grid for the period until 2030 with major consideration on the possible impact to the price of electricity;
2. To formulate and prepare the transition policies and guidelines for the effective implementation of Smart Grid by all electric power industry participants, namely: generation companies, transmission company, market operator, distribution utilities, suppliers, consumers and other network service providers;
3. To prepare a Roadmap for Smart Grid implementation to include among others, success criterias, timelines and coverage, business case framework, interoperability standards development, Integration Plan for Low Carbon Technologies and smart technology development and regionalization requirements; and

4. To formulate customer education and information framework for country wide Smart Grid awareness and acceptance.

Section 4. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 5. Effectivity. This Circular shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Done this 11 MAR 2013 in Taguig City, Metro Manila.



CARLOS JERICO L. PETILLA
Secretary



Republic of the Philippines
DEPARTMENT OF ENERGY

IN REPLYING PLS CITE:

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