



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC 2014-08-0014^N

**ENJOINING ALL ELECTRICITY- CONSUMING SECTORS TO IMPLEMENT
DEMAND-SIDE MANAGEMENT PROGRAM AND OTHER ENERGY
CONSERVATION MEASURES**

WHEREAS, Republic Act No. 7638, otherwise known as "Department of Energy Act of 1992," declares the policy of the State to ensure a continuous, adequate, and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources, and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growth and economic development and taking into consideration the active participation of the private sector in the various areas of energy resource development;

WHEREAS, Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 also known as EPIRA declares the policy of the State to:

- 1) ensure the quality, reliability, security of supply, and affordability of electric power; and
- 2) encourage the efficient use of energy and other modalities of demand side management;

WHEREAS, Section 37(l) of the EPIRA mandates the Department of Energy (DOE) to formulate and implement programs, including a system of providing incentives and penalties, for the judicious and efficient use of energy in all energy-consuming sectors of the economy;

WHEREAS, on 31 August 2004, Administrative Order No. 103, series of 2004 requires all government agencies, including government-owned and controlled corporation, government financial institutions and other government instrumentalities to adopt measures reducing electricity consumption among others;

WHEREAS, Administrative Order No. 110, series of 2004 and Administrative Order No. 126, series of 2005, the Government adopted the Government Energy Management Program to lead by example;

WHEREAS, based on the 2014 Power Supply Situation Outlook for the country prepared by the National Grid Corporation of the Philippines (NGCP), it is projected that the country will be experiencing tightness in supply since major power plants are scheduled to undertake preventive maintenance during the summer months; and

WHEREAS, the NGCP reported that the Luzon Grid is expected to be on "Yellow Alert Status" from March to June 2014, while the Mindanao Grid is already experiencing rotational brownouts.

NOW THEREFORE, from the foregoing premises and pursuant to the mandate under the EPIRA and its implementing rules and regulations, the DOE declares as follows:

Section 1. Demand-Side Management Program. The DOE enjoins all electricity-consuming sectors particularly residential, industrial, commercial establishments including public facilities, operators of advertising billboards, and all other electricity end-users, to implement demand-side management programs and other energy conservation measures to reduce the country's demand for supply of electricity: *Provided*, That vital infrastructures such as hospitals, military installations, airports and of other facilities of similar character may maintain their regular use to for the reliability and adequacy of power supply.

To ensure compliance with this Circular, the DOE's Energy Utilization and Management Bureau (EUMB) shall develop and implement various electricity demand-side management programs and projects nationwide including a system of incentives and penalties for the same, after public consultation.

All DUs are likewise enjoined to implement demand-side management program and other energy conservation measures, and shall undertake intensive information, and education campaign to its consumers.

Section 2. Responsibilities of the Electric Power Industry Participants. All electric power industry participants are hereby enjoined to extend their full support in implementing various energy conservation measures to reduce the demand for electricity particularly during peak hours of summer months or during times of tightness in supply.

Section 3. Government Demand-Side Management Program. Consistent with Section 3 of Administrative Order No. 126, series of 2005, where adequate ventilation is available, all government agencies and offices shall discontinue the use of their airconditioning units, when weather permits: *Provided*, That in cases where airconditioning units are to be used, the thermostat shall be set no lower than 25 degrees celcius.

Section 4. Compliance Monitoring. To ensure the effective and efficient implementation of demand-side management, the DOE shall closely monitor the compliance through distribution utilities through the Task Force composed of the Electric Power Industry Management Bureau (EPIMB), EUMB and the Office of the Secretary (OSEC) on a weekly basis: *Provided*, That all government agencies shall continue to submit its compliance report

report as required under Section 4 of Administrative Order No. 126, series of 2005, copy furnished the Task Force under this Circular.

Section 5. Repealing Clause. Except insofar as may be manifestly inconsistent herewith, nothing in this Circular shall be construed as to repeal any of the mechanisms already existing or responsibilities already provided for under existing rules.

Section 6. 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 7. Effectivity. This Circular shall take effect immediately and shall remain in effect until otherwise revoked.

Issued at Energy Center, Bonifacio Global City, Taguig City.


CARLOS JERICHO L. PETILLA
Secretary



IN REPLYING PLEASE CITE:
SOE-JLP-14005077



AUG 11 2014