

Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
Merritt Road, Fort Bonifacio  
Taguig City, Metro Manila

SEP 24 2008

DEPARTMENT CIRCULAR NO. DC2008-09-0004 <sup>CS</sup>

TO: All Energy Service Companies (ESCOs) and Energy Service Providers

**WHEREAS**, pursuant to Section 5 of R.A. 7638, the Department of Energy shall have the following powers and functions, among others:

- (a) 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 on environmental protection and conservation and maintenance of ecological balance, and provide a mechanism for the integration, rationalization, and coordination of the various energy programs of the Government;
- (b) 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;
- (c) Formulate such rules and regulations as may be necessary to implement the objectives of this Act; and
- (d) Exercise such other powers as may be necessary or incidental to attain the objectives of this Act.

**WHEREAS**, it is recognized that Energy Efficiency (EE) opportunities abound in Industrial, Commercial and Institutional sectors in the country.

**WHEREAS**, the promotion of ESCOs in the country can create an accurate and achievable energy saving projects from various stakeholders, freeing them from financial and technical burden in undertaking retrofitting/improving EE.

**WHEREAS**, ESCO intends to provide contribution towards establishing or enhancing collaboration and partnership among organizations for the promotion and adoption of EE products and technology to include services, which are meant to create or facilitate business opportunities in the Philippines.

**WHEREAS**, ESCO provides energy service business to develop and implement turnkey comprehensive EE projects. Also, it offers project engineering design, financing, project management and after performance-based project approach.

**WHEREFORE**, all ESCOs are hereby required to secure accreditation from the Department of Energy following the Accreditation Criteria (hereto attached as Annex "A"). Accredited ESCO shall submit, thereafter, reports on status of the projects undertaken thereof.

For this purpose Application Form (hereto attached as Annex "B") should be used in the application and shall be submitted in the address indicated below. Processing of the application shall be five (5) working calendars days and applicant will be notified accordingly.

All application should be submitted to the following address:

ENERGY EFFICIENCY AND CONSERVATION DIVISION  
ENERGY UTILIZATION MANAGEMENT BUREAU  
DEPARTMENT OF ENERGY  
Energy Center, Merritt Rd., Fort Bonifacio, Taguig City  
Trunkline: 479-2900 Locals 272 and 274  
Direct Line: 840-2283

All clarifications or request for assistance in the preparation of the Application Form and the submission of reports shall be coursed through the above-mentioned office at said address and contact numbers.

This Circular shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation.

Fort Bonifacio, Taguig City, \_\_\_\_\_.

  
**ANGELO T. REYES**  
Secretary



IN REPLYING PLS CITE:  
**SE08-007657**



ANNEX "A"

DEPARTMENT OF ENERGY (DOE)  
ASSESSMENT AND ACCREDITATION  
PROGRAM OF ENERGY SERVICE  
COMPANY  
(ESCO)

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## **I. What is an Energy Services Company(ESCO)?**

Energy Services Company is the company that provides energy service business to develop and implement turnkey comprehensive energy efficiency projects. Also, offers project engineering design, financing, project management and after performance-based project approach.

## **II. What Typical Services Do They Provide?**

ESCO must demonstrate the ability to provide the full range of services required for a comprehensive energy efficiency project including:

- Energy Audits
- Construction management services, including preparation of performance specifications, project design and project commissioning
- Providing and arranging project financing
- Project monitoring and guarantee of energy savings
- Equipment maintenance and operations

## **III. What is the difference of ESCOs with other types of contractors?**

ESCOs differ from architectural and engineering (A&E) firms in several ways. While both supply engineering services, ESCOs also can provide or help arrange financing, maintain equipment and guarantee project performance or savings.

Some ESCOs enter into performance contracts which guarantee that the cost of the project is recovered from the energy savings. If the project fails to meet the guaranteed savings amount, the ESCO may be required to compensate your organization. On the other hand, A&E firms provide only technical analysis, engineering design and , sometimes, construction management services. They do not provide project financing, performance contracting or after equipment maintenance.

## **IV. What is the ESCO Accreditation?**

ESCO Accreditation system is to provide sustainable environmental benefits. It paves the way for Philippines development towards a developed economy. ESCO must dedicate to the provision of energy efficient technology and services including financing, design, implementation and management of projects. Also, this is to establish a Register of Accredited ESCOs and enhance the professionalism of ESCOs practices.

The establishment of an accreditation system may lead to the following benefits:

- Development of professional and qualified ESCOs and energy engineers;
- Enhance the standing of ESCOs, and in particular energy auditing services;
- Support services procurement and selection procedures; and
- Support public sector incentive schemes in the promotion of energy efficiency:

## **V. Accreditation of ESCO**

### **1. Accreditation Application**

ESCO seeking DOE accreditation must apply to Energy Utilization Management Bureau (EUMB)-Energy Efficiency and Conservation Division (EECD) of the DOE.

### **2. Accreditation Requirements**

ESCO must submit the following documents to the EUMB:

- a) Business Registration
- b) SEC Registration
- c) Company Profile/Background
- d) Financial Performance/Condition
- e) Company Ownership/Management
- f) Performance Track Record (Past/On-going)
- g) List of Personnel (Qualifications, Experiences)
- h) List of Energy Audit Equipment and Instruments

### **3. Criteria for ESCO Accreditation**

- a) ESCO's should pass the requirements on Financial Performance/Condition, Performance Track Record/Personnel and Equipment for Energy Audit.
- b) ESCO's should have experience and must demonstrate the technical and managerial competence to design and implement Energy Efficiency projects in any of but not limited to the following systems:
  - Lighting
  - Motors and Drives
  - Heating Ventilating and Air-Conditioning

- Control Systems
- Building Envelope Improvements
- Boilers and Furnaces
- Compressed Air
- Steam System
- Waste Heat Recovery
- Process Improvements
- Electrical Systems
- and other energy efficiency systems

4. Process of Assessment and Accreditation

- a) Submit the completed application form and documents to EECD office. (The application form is available from the EECD or at the DOE website [www.doe.gov.ph](http://www.doe.gov.ph))
- b) Fees
  - 1. The processing fee is \_\_\_\_\_;
  - 2. The accreditation fee is \_\_\_\_\_;
- c) Application will be evaluated against the stipulated criteria as set out in this document.
- d) Accreditation Certificate will be issued after the final approval.

Notes: a) ESCO Accreditation Certificate has a 3-year validity.

**FOR OFFICIAL USE**

Type of Application : a) New Application    b) Renewal

ESCO Function For: a)General b)Building c)Industrial d)System/Others  
 System/Others: Specify: \_\_\_\_\_

Accreditation Period : \_\_\_\_\_ to \_\_\_\_\_

Remarks: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Recommendation : Approved / Disapproved

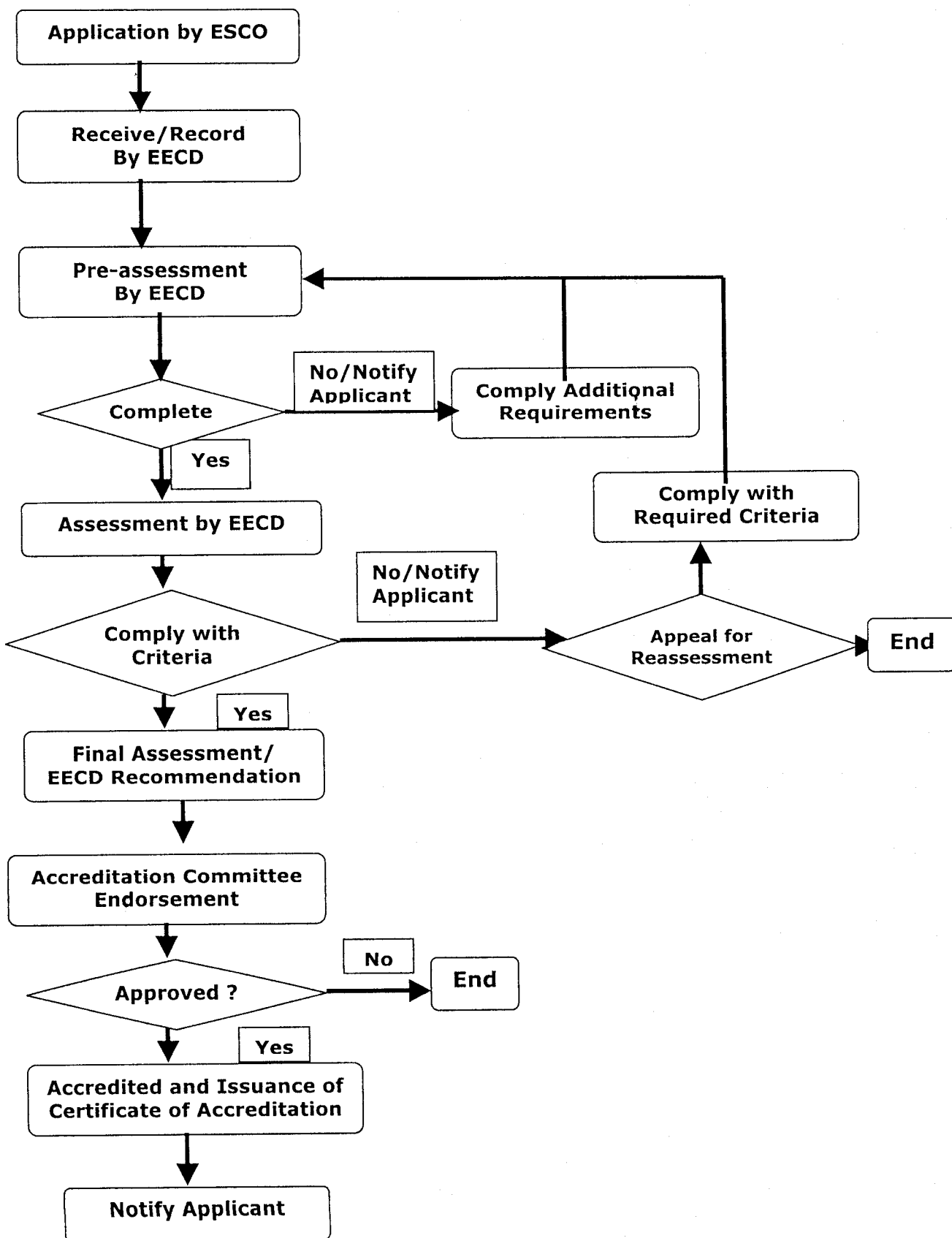
ESCO Classification: A / B / C / D

By : \_\_\_\_\_  
Director - EUMB

Date : \_\_\_\_\_



### Accreditation of ESCOs by EECD Flowchart



**Accreditation Criteria:**

- Final as approved by Accreditation Committee base on the submitted document of ESCO.

**A. ELIGIBILITY CRITERIA**

GO/NO criteria. If the answer to any of these question is NO, then ESCO is automatically excluded from accreditation.

YES	NO	1. Has the applicant submitted all required forms and documents ?
YES	NO	2. Has the applicant signed the proper assurances regarding ESCO performance data and accessibility to inspection of energy audit equipment and ESCO facilities ?
YES	NO	3. Has the applicant allowed the DOE staff to inspect an energy audit equipment and ESCO facilities.

## B. CLASSIFICATION CRITERIA

Classification	A	B	C	D
1. How many energy efficiency project this ESCO implemented ?	7 and up	4-7	1-4	< 1
2. What is the financial capability of this ESCO?	P 3.0M & up	1.0M-3.0M	0.50M-1.0M	< 0.50M
3. What is the ESCO's current commitment to energy efficiency projects ?	75% & up	50-75%	25-50%	< 25%
4. How stable has the ESCO's been in the past three(3) years ?	75% & up	50-75%	25-50%	< 25%
5. How many energy audit this ESCO have been conducted ?	7 & up	4-7	1-4	< 1
6. How much this ESCO guaranteed the cost of the energy efficiency project ?	50% & up	20-50%	10-20%	< 10%
7. What is the technical capability of this ESCO with regards to energy efficiency projects/systems	5 & up	3-5	1-3	< 1

**CLASSIFICATION RESULT: \_\_\_\_\_**

# ANNEX "B"

## DOE ESCO Accreditation Application Form

### General Information

Name of Firm :  
Address :  
Tax Account Number :  
Primary Contact Name/Title :  
Secondary Contact Name/Title :  
Telephone Nos. :  
Fax No. :  
e-Mail Address :  
Website (if any) :

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**Type of Application:** a) New Application    b) Renewal

**ESCO Function For:** General Building Industrial System/Others  
System/Others: Specify: \_\_\_\_\_

### Assurances:

By signing this application form and this set of assurances, We hereby concur with the following conditions of the Department of Energy (DOE) and agree to abide by them if this application is granted.

1. We agree to submit a complete set of required accreditation documents and to abide by the accreditation criteria for ESCO.
2. We hereby authorize the DOE through its Energy Utilization and Management Bureau-Energy Efficiency and Conservation Division (EEUMB-EECD) to make direct inquiries to any person, firm, or organization named in the application to verify the information submitted herein.
3. We agree to make all equipment purchased and installed in conjunction with our energy efficiency projects available for on-site inspection by EUMB-EECD staff.
4. We agree to provide and report the energy consumption data for the ESCO project and performance data of all equipment installed in conjunction with the said project for a period of at least five years.

5. We agree to provide a copy of project cost statement and have photographs taken of the project including equipment and to allow summary of projects results to be published by the DOE.
6. We agree to allow the DOE energy audit team to conduct a full scale energy audit of my implemented energy efficiency projects.
7. We further agree that if we provide false or misleading information on our application form or otherwise fail to demonstrate that we have sufficient experience or qualifications to perform as ESCO, the DOE has the exclusive right to suspend or cancel with due prior notice our accreditation by DOE as ESCO.
8. We, the undersigned, hereby apply for ESCO accreditation with DOE and certify that, to the best of my knowledge, the particulars given in this application and all accompanying documents/information are true and correct.

Name of Company

By/Authorized Representative

<b>NAME (please type or print):</b>	<b>TITLE:</b>
<b>SIGNATURE:</b>	<b>DATE:</b>