



ADVISORY
2024-08-003-SEC

TO : ENERGY REGULATORY COMMISSION (ERC)
NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)
DISTRIBUTION UTILITIES (DUs)

SUBJECT : SUPPLEMENT TO THE COMPETITIVE SELECTION PROCESS
(CSP) ADVISORY DATED 16 AUGUST 2019

DATE : **AUG 07 2024**

On 16 August 2019, the Department of Energy issued an Advisory (2019 Advisory) to guide affected DUs, as provided in the 2019 Advisory, in addressing the impact of the decision of the Supreme Court in *Alyansa Para sa Bagong Pilipinas, Inc. vs. ERC, et al.*¹ (Alyansa Ruling).

Following the 2019 Advisory, the DOE and the ERC have since issued DOE Department Circular (DC) No. DC2023-06-0021² (DOE 2023 CSP Policy) and ERC Resolution No. 16, Series of 2023³ (ERC CSP Guidelines), respectively.

To date, however, there are affected DUs which have yet to implement the provisions cited in the 2019 Advisory. To ensure the continued power supply in their franchise areas, there is a need to bridge the gap between the 2019 Advisory and the present DOE and ERC issuances.

Accordingly, the DOE hereby issues this Advisory to allow for a Transition PSA (TPSA) as an interim measure of all affected DUs, subject to the following conditions:

1. DUs with PSAs affected by the Alyansa Ruling, which have not yet applied for, and have not been granted a CSP Exemption (COE-CSP) pursuant to the 2019 Advisory may negotiate and enter into a TPSA.

DUs that have been issued COE-CSPs and have executed emergency PSAs pursuant to the 2019 Advisory are not qualified to negotiate and enter into TPSAs.

2. The TPSA shall be effective until the commencement of power supply procured pursuant to the DOE 2023 CSP Policy, but not longer than one (1) year which shall be the maximum and non-extendible term of the TPSA.

¹ G.R. No. 227670, May 3, 2019.

² Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process by the Distribution Utilities for the Procurement of Power Supply for Their Captive Market.

³ Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered Into By Distribution Utilities for the Supply of Electricity to their Captive Market.

3. The TPSA shall cover the capacity affected by the Alyansa Ruling, and shall be eligible to the Universal Charge for Missionary Electrification (UC-ME) subsidy.
4. Affected DUs shall apply for the approval of their TPSAs before the ERC, subject to existing rules and regulations.

For the avoidance of doubt, the TPSA shall not be considered, in any way, as an emergency power supply agreement under Section 2.3.5 of the DOE 2023 CSP Policy.

Please be guided accordingly.




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Secretary