



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

DEPARTMENT CIRCULAR NO. ____ - __ - ____

**DECLARING THE COMMERCIAL OPERATIONS DATE OF RETAIL
COMPETITION AND OPEN ACCESS (RCOA), RETAIL AGGREGATION AND
GREEN ENERGY OPTION PROGRAM (GEOP) IN MINDANAO**

WHEREAS, Republic Act No. 9136 (RA 9136) titled, “Electric Power Industry Reform Act of 2001” or the EPIRA, declares the policy of the State, among others, to ensure the quality, reliability, security, and affordability of the supply of electric power and to ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market;

WHEREAS, Section 37 of the EPIRA mandates the Department of Energy (DOE) to, among others, supervise the restructuring of the electric power industry; facilitate and encourage reforms in the structure and operations of distribution utilities for greater efficiency and lower costs; jointly with the electric power industry participants, establish the wholesale electricity spot market and formulate the detailed rules governing the operations thereof; and exercise such other powers as may be necessary or incidental to attain the objectives of the EPIRA;

WHEREAS, on 09 May 2012, the DOE promulgated Department Circular (“DC”) No. DC2012-05-0005 titled “Prescribing the General Policies for the Implementation of the Retail Competition and Open Access (RCOA)” integrating RCOA in the Wholesale Electricity Spot Market (WESM) and providing specific policies to operationalize the RCOA concepts such as customer empowerment or customer choice, the business of supply of electricity, supplier, supplier of last resort, and membership in the WESM, among others;

WHEREAS, on 29 November 2017, the DOE issued DC2017-12-0013 titled “Providing Policies on the Implementation of Retail Competition and Open Access (RCOA) for Contestable Customers in the Philippines Electric Power Industry,” providing voluntary participation of Contestable Customers with an average peak demand of 750 kW and above in the Retail Market as well as voluntary demand aggregation;

WHEREAS, on 03 December 2020, the ERC issued Resolution No. 12, Series of 2020, titled “A Resolution Prescribing the Timeline for the Implementation of RCOA,” expanding the coverage of RCOA for End-users with an average monthly peak demand of at least 500 kW in the preceding twelve (12) months, on a voluntary basis;

WHEREAS, on 16 June 2022, the ERC issued Resolution No. 04, Series of 2022, “A Resolution Adopting the Rules for the Electric Retail Aggregation Program,” which allows aggregation of the supply of electricity to End-users to accommodate a wider consumer base availing of the benefits of RCOA;

WHEREAS, Section 2 of the Republic Act No. 9513 (RA 9513) titled “An Act Promoting the Development, Utilization, and Commercialization of Renewable Energy Resources (RE) and for Other Purposes,” otherwise known as “RE Law,” declares that it is the

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 its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, Section 9 of the RE Law provides that the DOE shall establish a Green Energy Option Program (GEOP), which provides end-users the option to choose RE Resources as their sources of energy;

WHEREAS, on 18 July 2018, the DOE issued DC No. DC2018-07-0019, entitled “Promulgating the Rules and Guidelines Governing the Establishment of the Green Energy Option Program pursuant to Renewable Energy Act of 2008”, establishing the GEOP and allowing stakeholders in the electric power industry to contribute to the development and utilization of clean energy, particularly, RE in the country;

WHEREAS, on 22 April 2021, the ERC issued Resolution No. 08, Series of 2021, titled “A Resolution Adopting the Rules for the Green Energy Option Program” or the “GEOP Rules” providing detailed guidelines on GEOP implementation;

WHEREAS, on 23 December 2022, the DOE promulgated DC No. DC2022-12-0039 titled “Declaring the Commercial Operation of the WESM in the Mindanao Grid,” which will ensure a fair playing field for electricity investors and access to a competitively priced, stable, and reliable electricity supply for consumers;

WHEREAS, the establishment of WESM in Mindanao will help facilitate the implementation of policy mechanisms that promote competition and consumer empowerment, such as RCOA, Retail Aggregation, and GEOP, among others, which are currently available only in Luzon and Visayas Grid;

WHEREAS, On 25 October 2022, through the initiatives of the DOE, the RCOA-Technical Working Group (RCOA-TWG) was formed, composed of representatives from the DOE, ERC, Independent Electricity Market Operator of the Philippines (IEMOP), and Philippine Electricity Market of the Philippines (PEMC) intending to harmonize the guidelines on various aspects on the implementation of RCOA, Retail aggregation, and GEOP;

WHEREAS, the RCOA-TWG deemed it necessary to implement the RCOA, Retail Aggregation, and GEOP and be enjoyed by the Mindanao stakeholders;

WHEREAS, to provide better understanding and awareness among the public on this issuance, the DOE in collaboration with the ERC and with support from IEMOP and PEMC, conducted a series of information, education, and communication campaign and public consultation with Mindanao stakeholders in the following areas, dates, and venues.

Area	Date	Venue
Davao City	18 May 2023	<i>to be determined</i>
Cagayan de Oro	07 June 2023	<i>to be determined</i>
Zamboanga	20 June 2023	<i>to be determined</i>
Butuan	04 July 2023	<i>to be determined</i>
General Santos City	18 July 2023 (tentative)	<i>to be determined</i>

NOW THEREFORE, from the foregoing premises and consistent with the EPIRA, the

DOE hereby issues, adopts and promulgates the following:

Section 1. Declaration of implementing RCOA, Retail Aggregation, and GEOP in Mindanao. The DOE hereby declares **26 December 2023** as the commencement date of implementing RCOA, Retail Aggregation, and GEOP in Mindanao.

Upon the commencement date, all eligible and interested electricity End-users shall be allowed to choose where to source their electricity, whether from a Retail Electricity Supplier (RES), Aggregator for RCOA, or Renewable Electricity Supplier (RE Supplier) for GEOP.

Section 2. Voluntary Participation in RCOA. All eligible and interested electricity End-users may participate in the Contestable Market as contestable customers based on the existing threshold level reviewed and approved by the ERC. Eligible End-users opting to switch from Captive Market to Contestable Market shall comply with the procedures provided under the WESM Rules, Retail Rules and Market Manuals, and other relevant laws and issuances issued by the DOE and ERC.

The lowering of contestability threshold shall be based on the ERC's evaluation and study of identified factors, including the readiness of the market, the necessary infrastructure/system, customer awareness, and the economic impact of the migration of contestable customers in the Contestable Market.

Section 3. Voluntary Demand Aggregation for Participation in RCOA. Electricity End-users within a contiguous area whose aggregate average peak demand falls under the current contestability threshold level may aggregate their demand to be part of the Contestable Market. They may voluntarily enter into a Retail Supply Contract (RSC) with Retail Aggregators, subject to the procedures provided under the WESM Rules, Retail Rules and Market Manuals, and other relevant laws and issuances issued by the DOE and ERC.

Section 4. Voluntary Participation in GEOP. All eligible and interested End-users may participate in the GEOP based on the existing threshold level reviewed and approved by the ERC. They may voluntarily enter into a GEOP Supply Contract with RE Supplier, subject to the procedures provided in the WESM Rules, GEOP Rules, Retail Rules, Market Manuals, and other relevant laws and issuances by the DOE and ERC.

All End-users with demand below the current threshold level may participate in the GEOP after the DOE, in consultation with National Renewable Energy Board and other industry stakeholders, determines the technical requirements and ensures that the standards are already met.

Section 5. Responsibilities of the Energy Agencies and Stakeholders. Pursuant to their respective mandates and functions under the EPIRA and its Implementing Rules and Regulations, the WESM Rules and Manuals, and other relevant laws and issuances, ERC, IEMOP, PEMC, National Electrification Administration (NEA), National Grid Corporation of the Philippines (NGCP), Distribution Utilities (DUs) and other concerned stakeholders in Mindanao are enjoined to extend their full support and

cooperation to ensure full registration and compliance to the WESM, and to prepare the necessary conditions to successfully implement the RCOA, Retail Aggregation, and GEOP in Mindanao.

Section 6. Transitory Provision. One (1) month prior to the commencement date, all eligible and interested End-users, RES, Retail Aggregators, RE Suppliers, and Metering Services Providers shall comply with the registration requirements in the WESM to ensure orderly implementation of RCOA, Retail Aggregation, and GEOP in Mindanao.

Section 7. Reportorial Requirements. All DUs, RES/Retail Aggregators, and RE Suppliers shall submit to the DOE reportorial requirements in accordance with the provisions of DOE DC No. DC2023-03-0005, "Providing Supplemental Policy for the Systematic Management of the DOE Reportorial Requirements for Electric Power Industry Participants – *Distribution Utilities* and DOE DC No. DC2023-04-0006, "Providing Supplemental Policy for the Systematic Management of the DOE Reportorial Requirements for Electric Power Industry Participants – *Retail Electricity Suppliers* on the implementation of RCOA, Retail Aggregation, and GEOP in Mindanao and shall include the same in their respective Distribution Development Plan.

All DUs and National Transmission Corporation or its Successor-in-Interest, which is currently the NGCP, shall submit the list of End-users intending to participate in RCOA and GEOP and End-users who signed an RSC with RES or GEOP Supply Contract with RE Supplier.

The DOE, ERC, IEMOP, and PEMC shall establish a database required to implement RCOA, Retail Aggregation, and GEOP in Mindanao.

Section 8. Separability. If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected shall remain valid and subsisting.

Section 9. Repealing Clause. Except insofar as may be manifestly inconsistent herewith, nothing in this Circular shall be construed as to repeal any mechanisms already existing or responsibilities already provided for under existing rules.

Section 10. Effectivity and Publication. This Circular shall take effect immediately upon its publication in two (2) newspapers of general circulation. Copies shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued _____ 2023 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City.

RAPHAEL P. M. LOTILLA
Secretary