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3 **DEPARTMENT CIRCULAR NO. DC2025-\_\_ - \_\_\_\_\_**

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5  
6 **PROMULGATING THE REVISED RULES AND GUIDELINES**  
7 **GOVERNING THE IMPLEMENTATION OF THE**  
8 **GREEN ENERGY OPTION PROGRAM**  
9

10  
11 **WHEREAS**, Republic Act No. 7638, otherwise known as the "Department of Energy  
12 (DOE) Act of 1992," declares it as a policy of the State to, among others, ensure a  
13 continuous, adequate and economic supply of energy through the integrated and  
14 intensive exploration, production, management and development of the country's  
15 indigenous energy resources;

16  
17 **WHEREAS**, Republic Act No. 9136, otherwise known as the "Electric Power Industry  
18 Reform Act of 2001" or "EPIRA," declares the policy of the State to, among others: (a)  
19 assure socially and environmentally compatible energy sources and infrastructure;  
20 and (b) promote the utilization of indigenous and new and renewable energy (RE)  
21 Resources in power generation in order to reduce dependence on imported energy;

22  
23 **WHEREAS**, Section 37(e)(i), Chapter III of the EPIRA mandates the DOE to  
24 encourage private sector investments in the electric power industry and promote the  
25 development of indigenous and RE Resources;

26  
27 **WHEREAS**, Republic Act No. 9513, otherwise known as the "Renewable Energy Act  
28 of 2008" or the "RE Act" declares the policy of the State to increase the utilization of  
29 RE by institutionalizing the development of national and local capabilities in the use of  
30 RE systems, and promoting its efficient and cost-effective commercial application by  
31 providing fiscal and non-fiscal incentives;

32  
33 **WHEREAS**, Section 6, Chapter III of the RE Act provides that all stakeholders in the  
34 electric power industry shall contribute to the growth of the RE industry in the country;

35  
36 **WHEREAS**, Section 9, Chapter III of the RE Act provides that the DOE shall establish  
37 a Green Energy Option Program (GEOP), which provides Electricity End-Users the  
38 option to choose RE Resources as their sources of energy;

39  
40 **WHEREAS**, Section 9, Chapter III of the RE Act, further provides that the DOE, in  
41 consultation with the National Renewable Energy Board (NREB), shall promulgate the  
42 appropriate implementing rules and regulations necessary, incidental or convenient to  
43 achieve the objectives of the RE Act;

44  
45 **WHEREAS**, on 18 July 2018, the DOE issued Department Circular (DC) No. DC2018-  
46 07-0019 titled, "Promulgating the Rules and Guidelines Governing the Establishment  
47 of the Green Energy Option Program Pursuant to the Renewable Energy Act of 2008,"  
48 establishing the GEOP Rules.

49 **WHEREAS**, on 22 April 2020, the DOE issued DC No. DC2020-04-0009 titled,  
50 “Guidelines Governing the Issuance of Operating Permits to Renewable Energy  
51 Suppliers under the Green Energy Option Program,” prescribing the guidelines and  
52 procedures in the issuance, administration, and revocation of GEOP Operating  
53 Permits to RE Suppliers.

54  
55 **WHEREAS**, on 22 April 2021, the Energy Regulatory Commission (ERC) issued  
56 Resolution No. 08, Series of 2021, “A Resolution Adopting the Green Energy Option  
57 Program,” setting the regulatory framework to operationalize the GEOP.

58  
59 **WHEREAS**, on 03 December 2021, the GEOP was implemented on a voluntary basis  
60 in Luzon and Visayas.

61  
62 **WHEREAS**, on 31 January 2023, the DOE issued DC No. DC2023-01-0004,  
63 “Adopting Amendments to the WESM Rules, Retail Rules and Various Market  
64 Manuals, and Promulgation of the Retail Manual on the Procedures for the  
65 Implementation of the Green Energy Option Program.”

66  
67 **WHEREAS**, with the commencement of the commercial operation of WESM in  
68 Mindanao on 26 January 2023 and cognizant of the readiness of the Mindanao Grid  
69 for retail market operations, the DOE issued DC No. DC2024-03-0009 on 01 March  
70 2024, declaring 26 March 2024 as the commencement date of the commercial  
71 operations of RCOA and GEOP in Mindanao.

72  
73 **WHEREAS**, the DOE acknowledged the challenges experienced by stakeholders as  
74 well as the opportunities raised to further enhance the program and increase end-  
75 users participation.

76  
77 **WHEREAS**, the DOE conducted public consultations covering Luzon, Visayas, and  
78 Mindanao areas on \_\_\_\_\_ its proposed implementing rules and regulations for the  
79 GEOP; and

80  
81 **NOW, THEREFORE**, premises considered, the DOE hereby issues, adopts and  
82 promulgates the following rules and guidelines:

83  
84 **RULE 1**

85  
86 **GENERAL PROVISIONS**

87  
88 **Section 1. Title and Scope.** This Circular shall be known as the "Revised Rules and  
89 Guidelines Governing the Implementation of the Green Energy Option Program  
90 (GEOP) in the Philippines" and shall hereinafter be referred to as the "GEOP Rules."  
91

92 **Section 2. Purpose.** This Circular shall have the following objectives:

93  
94 2.1. Sets the rules and guidelines to properly guide End-Users, GEOP Providers,  
95 Network Service Providers (NSPs), and other stakeholders in the electric power  
96 industry in operationalizing plans of End-Users to source their electricity from RE  
97 Resources;  
98

99 2.2. Provide the framework for a market under the GEOP benefiting RE investors,  
100 developers, suppliers, and End-Users, and increase the utilization and supply of  
101 RE capacity in the country; and  
102

103 2.3. Empower End-Users to contribute in the development and utilization of RE  
104 resources, in a competitive and sustainable manner.  
105

106 **Section 3. Guiding Principles.** Consistent with the intent of the RE Act to empower  
107 End-Users to choose RE Resources and contribute in meeting the national RE targets  
108 under the Philippine Energy Plan and the National Renewable Energy Plan, the GEOP  
109 shall be subject only to such regulation as are strictly necessary to prevent abuse of  
110 market power, cartelization, and other anti-competitive or discriminatory behavior. In  
111 the implementation of the GEOP, the following principles shall apply:  
112

113 3.1. Any End-User opting to participate in the GEOP shall inform its host Distribution  
114 Utility (DU) of its plan to source power from RE Resources.  
115

116 The host DU and GEOP Provider shall fully inform the End-User of the attendant  
117 technical, commercial, and legal arrangements necessary to implement the  
118 GEOP;  
119

120 3.2. The host DU and GEOP Provider shall agree and facilitate the implementation of  
121 the GEOP for the End-User, including but not limited to, Distribution Wheeling  
122 Services Agreement, Metering Services Agreement, and Billing and Collection  
123 Services Agreement;  
124

125 3.3. The NSPs, as the entities mandated to provide transmission and distribution  
126 services within their respective franchises, shall adhere to the principles of open  
127 and non-discriminatory access to the transmission and distribution facilities;  
128

129 3.4. The NSPs shall ensure reliable and efficient wire or wheeling services to the End-  
130 User and/or the GEOP Provider. In case the GEOP Contract is canceled,  
131 revoked, or terminated for any reason, the NSPs shall continue to provide the  
132 wheeling services; Provided, however, That all obligations of the End-User or  
133 GEOP Provider is settled or paid; and  
134

135 3.5. All rates and charges to End-Users shall be unbundled, segregated, and itemized  
136 for each of the generation components, transmission charges and/or distribution  
137 charges, supply charges and other applicable charges.  
138

139 **Section 4. Scope.** This Circular shall apply to the following stakeholders:  
140

141 4.1. End-Users;

142 4.2. GEOP Providers;

143 4.3. Distribution Utilities;

144 4.4. Economic Zone Developers and Utility Enterprises;

145 4.5. Network Service Providers (NSP);

146 4.6. Metering Service Providers (MSP);

147 4.7. Market Operator (MO);

148 4.8. Suppliers of Last Resort (SOLR);

- 149 4.9. Central Registration Body (CRB);  
150 4.10. RE Registrar; and  
151 4.11. Energy Regulatory Commission (ERC).

152

153 **Section 5. Definition of Terms.** As used in this Circular, the following terms shall be  
154 defined as follows:

155

156 5.1. **“Aggregated End-Users”** refer to End-Users that are not located in adjacent or  
157 adjoined by a common boundary but are within the same franchise area of a DU.  
158 Aggregated End-Users may opt to participate in the GEOP pursuant to Section  
159 7 of this Circular;

160

161 5.2. **“Certificate of Compliance”** or **“COC”** refers to a certificate issued by the ERC  
162 in favor of a person or entity to operate a Generation Facility pursuant to Section  
163 6 of EPIRA and Section 4 of its IRR;

164

165 5.3. **“Contiguous Areas”** refer to adjacent or adjoining areas which are located  
166 within a common boundary, such as, but not limited to subdivisions, villages,  
167 economic zones and business districts, condominium buildings, commercial  
168 establishments, or mixed-use development complexes. End-Users located within  
169 a Contiguous Area may opt to participate in the GEOP pursuant to Section 7 of  
170 this Circular;

171

172 5.4. **“Distribution Utilities”** or **“DU”** refer to electric cooperatives, private  
173 corporations, government-owned utilities or existing local government units  
174 which have exclusive franchises to operate distribution systems in accordance  
175 with the EPIRA, including DUs and entities licensed to operate in the economic  
176 zones;

177

178 5.5. **“End-User”** refers to any person or entity requiring the supply and delivery of  
179 electricity for its own use. As used in this Circular, an End-User shall refer to any  
180 person or entity who chooses RE Resources as sources of its energy; Provided,  
181 That it has satisfied the eligibility requirements stated under Rule 2, Section 6  
182 and 7 of this GEOP Rules;

183

184 5.6. **“Generation Facility”** refers to a facility where electric energy is produced from  
185 some other form of energy by means of a suitable apparatus;

186

187 5.7. **“GEOP Contract”** refers to the private agreement between an End-User and  
188 GEOP Provider for the supply of electricity;

189

190 5.8. **“GEOP Provider”** refer to individuals or juridical entities created, registered or  
191 authorized to operate in the Philippines in accordance with existing laws and  
192 engaged in the production and/or supply of electric power from RE resources to  
193 End-User, duly issued Operating Permits by the DOE and GEOP-Retail  
194 Electricity Supplier (RES) License by the ERC;

195

- 196 5.9. **"GEOP Operating Permit"** refers to a document issued by the DOE to an entity  
197 allowing the supply of electric power to an End-User, pursuant to Rule 4 of this  
198 Circular;  
199
- 200 5.10. **"GEOP Entities"** refer to electric power industry participants mandated to carry  
201 out the responsibilities under the GEOP;  
202
- 203 5.11. **"Metering Service Provider"** or **"MSP"** refers to a person or entity authorized by  
204 the ERC to provide metering services as defined in the Distribution Services and  
205 Open Access Rules;  
206
- 207 5.12. **"Net Electricity Sales"** refers to energy supply less system losses and own use  
208 reckoned from 26 December of the preceding year to 25 December of the current  
209 year;  
210
- 211 5.13. **"Network Service Provider"** or **"NSP"** refers to a person or entity engaged in  
212 the activity of owning, controlling, or operating a transmission or distribution  
213 system intended for the conveyance of electric power from the Generating  
214 Facility to the End-User;  
215
- 216 5.14. **"RE Certificate"** or **"REC"** refers to a certificate representing all renewable and  
217 environmental attributes from one megawatt-hour (1MWh) of electricity  
218 generation sourced from duly registered and eligible RE Generation Facilities;  
219
- 220 5.15. **"Renewable Energy Market"** or **"REM"** refers to the venue where the  
221 compliance of Mandated Participants of the Renewable Portfolio Standards  
222 (RPS) through RECs are tracked, surrendered or traded based on the amount of  
223 power generated from RPS-eligible RE resources is made;  
224
- 225 5.16. **"RE Registrar"** or **"RER"** refers to the entity designated by the DOE to establish  
226 and operate the RE Market pursuant to Section 8 of the RE Act and DC2019-12-  
227 0016 (or the "REM Rules");  
228
- 229 5.17. **"RE Resources"** refers to energy resources that do not have an upper limit on  
230 the total quantity to be used. Such resources are renewable on a regular basis,  
231 and whose renewal rate is relatively rapid to consider availability over an  
232 indefinite period of time. These include, among others, biomass, solar, wind,  
233 geothermal, ocean energy and hydropower that conform with internationally  
234 accepted norms and standards on dams, and other emerging renewable energy  
235 technologies;  
236
- 237 5.18. **"Replacement Power"** refers to the supply of electricity to an End-User enrolled  
238 in the GEOP which shall be delivered should the supply contracted by the GEOP  
239 Provider be unavailable for whatever cause or reason; and  
240
- 241 5.19. **"Wholesale Electricity Spot Market"** or **"WESM"** refers to the wholesale  
242 electricity spot market established by the DOE pursuant to Section 30 of the  
243 EPIRA.  
244

245 Furthermore, this Circular hereby adopts by reference the terms defined in the EPIRA  
246 and RE Act and their respective implementing rules and regulations.

## 247 248 **RULE 2**

### 249 **ELIGIBLE END-USERS AND RE FACILITIES, PROVIDERS FOR GEOP,** 250 **STREAMLINED REGULATION AND SUPPORT MECHANISM**

251  
252 **Section 6. Eligible End-Users.** The following End-Users are eligible to participate in  
253 the GEOP:

- 254  
255 6.1. End-Users that have a monthly average peak demand of 50 kW and above for  
256 the past twelve (12) months, or whose estimated average monthly peak demand  
257 for the next twelve (12) months, based on the load profiling, is 50 kW or above;  
258  
259 6.2. End-Users within a Contiguous or Aggregated End-Users, including households  
260 and local government units thereat, whose estimated average aggregate  
261 monthly peak demand is at least 50 kW. The GEOP Provider may act as the  
262 aggregator and facilitate the switching of the Aggregated End-Users, subject to  
263 applicable rules and guidelines of the ERC;  
264  
265 6.3. End-Users in missionary and Off-Grid areas regardless of the average monthly  
266 peak demand of the End-User, subject to Section 9.3 below.  
267

268  
269 **Section 7. Eligible RE Facilities.** The following RE Facilities are eligible to provide  
270 RE supply under the GEOP:

- 271  
272 7.1. Regardless of the monthly average peak demand of the End-User:  
273  
274 7.1.1. RE Facilities under the Expanded Roof-Mounted Solar Program that are  
275 located on the premises of the End-User;  
276  
277 7.1.2. Distributed Energy Resources comprising behind-the-meter RE systems  
278 that are located on the premises of the End-User and do not inject excess  
279 power into the grid;  
280  
281 7.1.3. RE Suppliers in missionary and Off-Grid areas, subject to Section 9.3  
282 below;  
283  
284 7.2. Energy Storage Systems solely integrated to an RE facility, subject to rules,  
285 guidelines, and relevant regulations of the DOE and the ERC;  
286  
287 7.3. All other RE Facilities not falling under Sections 7.1 and 7.2 above.  
288

289 All RE Facilities, including Distributed Energy Resources and/or Embedded  
290 Generators supplying under the GEOP shall comply with all DOE and ERC policies  
291 and regulations, respectively.  
292

293 **Section 8. GEOP Providers.** Entities that shall utilize an RE Facility eligible to supply  
294 power under the GEOP shall secure a GEOP-RES License from the ERC and an  
295 Operating Permit from the DOE as GEOP Provider pursuant to Rule 4 of this Circular;  
296 Provided, That for purposes of securing a GEOP-RES License to supply electricity  
297 under the GEOP, the ERC shall only require the GEOP Operating Permit in lieu of all  
298 other requirements, documentary or otherwise, for an application for GEOP-RES  
299 License.

300  
301 **Section 9. Governing Contract.** The GEOP Contract shall govern the relationship  
302 between the End-User and the GEOP Provider.  
303

304 9.1. The GEOP Contract shall not require approval from the ERC. Moreover, the DOE  
305 and ERC may not review or revise the terms and conditions of the GEOP  
306 Contract, including the price of electricity agreed upon.  
307

308 9.2. Excess Generation under GEOP Contract. The NSPs shall not be financially  
309 liable for any excess power provided by the GEOP Provider to the End-User  
310 under the GEOP Contract.  
311

312 9.3. GEOP Contracts for the supply of electricity from RE resources in Off-Grid areas  
313 shall not be entitled to any subsidy from the Universal Charge for Missionary  
314 Electrification.  
315  
316

317 **Section 10. Upholding End-User Choice.** Any eligible End-User has the option to  
318 voluntarily contract directly with a GEOP Provider, as guided with the following:  
319

320 10.1. An End-User that opted to contract with a GEOP Provider may revert as the  
321 customer of the DU, provided it has fulfilled all of its contractual/financial  
322 obligations to the GEOP Provider and has executed the relevant agreement for  
323 the supply of electricity by the DU;  
324

325 10.2. Any End-User who reverted to the DU as a customer may again participate in  
326 the GEOP, subject to the fulfillment of its contractual obligations with the DU;  
327

328 10.3. Pursuant to Department Circular No. DC2024-03-0009, entitled “Declaring the  
329 Commercial Operations Date of Retail Competition and Open Access and Green  
330 Energy Option Program in Mindanao,” this Circular shall allow participation of  
331 eligible End-Users to the GEOP in Luzon, Visayas, and Mindanao On-Grid areas;  
332 and  
333

334 10.4. **Billing Mechanism.** An End-User opting to participate in the GEOP shall have  
335 an option to choose either single billing or dual billing.  
336

337 10.4.1. **Dual Billing.** Under the dual billing scheme, the End-User shall be billed  
338 separately by its GEOP Provider for the supply of electricity generated from  
339 GEOP including the Replacement Power, and by its NSP or TNP, in case

340 of Directly-Connected customers for the wires/wheeling services and other  
341 charges.

342  
343 10.4.2. **Single Billing.** Under the single billing scheme, the End-User shall be  
344 billed by its GEOP Provider for all charges in the electricity supply,  
345 unbundled and itemized.

346  
347 **Section 11. GEOP Requirements.** If necessary, the ERC shall issue or update  
348 existing guidelines following the objectives of this Circular and any amendment/s  
349 thereto.

350  
351 **Section 12. GEOP Oversight Committee.** An Oversight Committee, chaired by the  
352 DOE Undersecretary for REMB, is hereby created with the following members:

353  
354 12.1. DOE REMB Director or his/her designated representative;

355  
356 12.2. DOE Electric Power Industry Management Bureau Director or his/her designated  
357 representative;

358  
359 12.3. DOE Legal Services Director or his/her designated representative; and

360  
361 12.4. Representative from the CRB.

362 The REMB Technical Services Management Division, or another bureau or unit  
363 designated by the Secretary, shall provide technical and administrative support to the  
364 Oversight Committee.

365  
366 **Section 13. Support for GEOP Providers.**

367  
368 13.1. The DOE, upon recommendation of the GEOP Oversight Committee, may  
369 conduct an auction program where GEOP Providers may procure RE supply for  
370 participating End-Users. The DOE may mandate the Green Energy Auction  
371 Committee to issue the guidelines and terms of reference and conduct the  
372 auction pursuant to this Section.

373  
374 13.2. RE Pool. To accelerate exploration, development, and utilization of RE  
375 Resources, and to ensure RE supply is available in a least-cost manner, GEOP  
376 Providers and RE Generators/Developers may enter into a joint action or  
377 establish a pool of RE supply under the GEOP to the extent permitted by  
378 applicable laws.

379  
380 **RULE 3**  
381 **GEOP MANDATE**

382  
383 **Section 14. GEOP Mandated Activities.**

384  
385 14.1. TNP, NSPs, MO, and GEOP Providers, shall provide individually and/or  
386 collectively, the mechanisms for the physical connection and commercial  
387 arrangements necessary to ensure the success of the GEOP.

388  
389 14.2. Any End-User who intends to switch to the GEOP shall:  
390



391 14.2.1. Notify, through registered mail or personal service, the DU of its intention  
392 to participate in the GEOP, within three (3) months prior to the signing of  
393 the GEOP Contract; and  
394

395 14.2.2. Notify, through registered mail or personal service, the DU of its signed  
396 contract with a GEOP Provider within one (1) month prior to its effectivity.  
397

398 **14.3. Any End-User under the GEOP shall:**

399  
400 14.3.1. Be informed, through its monthly electric bill, of its monthly energy  
401 consumption and generation charge provided by the GEOP Provider;  
402

403 14.3.2. Be informed by the GEOP Provider or NSP of the transmission,  
404 distribution services, and other charges, segregated and unbundled, by  
405 way of its monthly electric bill, as applicable; and  
406

407 14.3.3. Pay and/or settle its financial obligations to the DU and/or GEOP  
408 Provider. Failure to do so shall subject the End-User to the disconnection  
409 policies of the DU and/or sanctions under their wheeling agreement and  
410 GEOP Supply Contract.  
411

412 **Section 15. Responsibilities of GEOP Entities.**

413  
414 **15.1. GEOP Providers shall:**

415  
416 15.1.1. Including existing RES under the Retail Competition and Open Access  
417 Program, secure an Operating Permit from the DOE, pursuant to Rule 4 of  
418 this Circular and comply with all the terms and conditions of this Circular  
419 and any amendments hereto;  
420

421 15.1.2. Register with the MO, through the CRB and RE Registrar;  
422

423 15.1.3. Provide a transparent and simplified offer sheet to the End-User,  
424 containing the terms and conditions of the GEOP Contract to the End-User;  
425

426 15.1.4. Incorporate in the GEOP Contract with the End-User the mechanism to  
427 address the intermittency or availability factor of the RE Facilities to ensure  
428 the continuous power supply service, the provision of Replacement Power,  
429 and the transmission and/or distribution wheeling charges, if applicable;  
430

431 15.1.5. Ensure transparency in the monthly electric bill of the GEOP's End-User;  
432

433 15.1.6. Comply with the reportorial requirements of the DOE, ERC, CRB and the  
434 RE Registrar;  
435

436 15.1.7. Inform the GEOP End-user of its option to choose between a single or  
437 dual billing scheme;  
438

439 15.1.8. Submit reports annually on or before every 30<sup>th</sup> of January or as may  
440 deemed necessary by the DOE to the REMB, which shall contain the  
441 following data:  
442

- 443 (i) Monthly kWh generated from owned, operated, and/or contracted RE
- 444 facility;
- 445 (ii) Monthly kWh purchased per RE resource;
- 446 (iii) Monthly kWh sold per customer;
- 447 (iv) Peak Demand per customer in kW;
- 448 (v) Available supply capacity per technology in MW;
- 449 (vi) Monthly purchased Replacement Power in kW; and
- 450 (vii) Any additional information requested by the DOE.

451  
452 The DOE shall establish a compliance template for this purpose.

453  
454 15.1.9. Facilitate the switching of respective GEOP customers including the

455 submission of complete requirements to the CRB.

456  
457 **15.2. DU as the SOLR shall:**

458  
459 15.2.1. Impose rates and/or charges duly approved by the ERC;

460  
461 15.2.2. Automatically provide supply to the End-User, in the event that the GEOP

462 Provider and its corresponding Replacement Power is not able to perform

463 its obligation under the GEOP Contract. As an alternative, the GEOP

464 Provider may enter into an agreement with the DU on the provision of

465 Replacement Power to the End-User; and

466  
467 15.2.3. All DUs registered as SOLR in the Retail Market shall be automatically

468 registered as GEOP SOLR in the CRB without the need of any

469 supplementing requirements.

470  
471 **15.3. TNP shall:**

472  
473 15.3.1. Provide an open and non-discriminatory access to its transmission

474 facilities;

475  
476 15.3.2. Segregate and itemize all charges to the End-User or GEOP Provider;

477  
478 15.3.3. Ensure the dispatch of the generating facilities, in accordance with the

479 WESM Rules and the Philippine Grid Code;

480  
481 15.3.4. Incorporate GEOP supply to its annual preparation and update of its

482 Transmission Development Plan, ensuring the reliability and efficiency of

483 the transmission system, including the provision of the needed ancillary

484 services, to support the expansion of renewable energy; and

485  
486 15.3.5. Perform as the default MSP for the End-Users directly-connected to the

487 transmission facilities.

488  
489 **15.4. DUs as NSPs shall:**

490  
491 15.4.1. Provide an open and non-discriminatory access to its distribution system;

492  
493 15.4.2. Maintain the reliability and efficiency of the distribution facilities; and

494

495 15.4.3. Annually prepare and update its Distribution Development Plan to  
496 consider the needed infrastructures to operationalize the GEOP within its  
497 franchise area.  
498

499 **15.5. DUs as MSPs shall:**  
500

501 15.5.1. Perform as the default Retail MSP within its franchise and ensure the  
502 compliance with the installation and maintenance of all revenue metering  
503 facilities of the End-User;  
504

505 15.5.2. Register as GEOP MSP with the CRB. Provided that all DUs registered  
506 as Retail MSP in the Retail Market shall be automatically registered as  
507 GEOP MSP in the CRB without the need of any supplementing  
508 requirements; and  
509

510 15.5.3. Submit annually on or before the 30<sup>th</sup> of January or as deemed necessary  
511 to the DOE list of eligible customers under their franchise areas with  
512 respective peak demand (in kW) and contact information.  
513

514 **15.6. CRB and RE Registrar shall:**  
515

516 15.6.1. Register the GEOP's End-Users with their GEOP Provider;  
517

518 15.6.2. Facilitate amendments to the WESM and Retail Rules and Manuals, if  
519 necessary; and  
520

521 15.6.3. Submit quarterly report / updates to the DOE including, but not limited to:  
522

- 523 (i) List of GEOP End-Users' name served by each GEOP Provider;
- 524 (ii) Meter Number and Market Short Name;
- 525 (iii) Monthly registered peak and average demand (in kW);
- 526 (iv) Monthly metered quantity (in kWh);
- 527 (v) Number of GEOP End-Users that switched, sorted by the DU  
528 franchise area; and
- 529 (vi) Percent (%) increase in Switching per DU franchise area.  
530

531 **Section 16. Responsibilities of the DOE through the Renewable Energy**  
532 **Management Bureau (REMB).** Consistent with Section 32 of the RE Act, the REMB  
533 shall:  
534

535 16.1. Evaluate the applications for and recommend the issuance of Operating Permits  
536 to GEOP Providers, pursuant to Rule 4 of this Circular;  
537

538 16.2. Monitor the energy output compliance of all GEOP Providers;  
539

540 16.3. Post in the DOE website the GEOP requirements and processes, list of GEOP  
541 Providers issued with GEOP Operation Permits with contact details, and other  
542 relevant information about the GEOP;  
543

544 16.4. Conduct Information, Education and Communication Campaign campaigns to  
545 inform all End-Users and other entities involved in the GEOP; and  
546

547 16.5. Undertake regular review and assessment of the GEOP Rules, and propose  
548 amendments to the GEOP Oversight Committee, if necessary.

549  
550 **Section 17. Other Provisions.**

551  
552 **17.1. Provision of Replacement Power.** To ensure that End-Users are supplied with  
553 sufficient and reliable electricity, the GEOP Provider shall secure the necessary  
554 Replacement Power, as follows:

555  
556 17.1.1. Transition Period. During the first three (3) years of the implementation  
557 of this Circular, a GEOP Provider shall source at least fifty percent (50%)  
558 of its Replacement Power from RE Resources. Thereafter, in support of the  
559 greater development and utilization of RE Resources, any Replacement  
560 Power shall exclusively be sourced from RE Resources.

561  
562 17.1.2. The CRB shall monitor the energy output compliance of all GEOP  
563 Providers as prescribed herein. Any GEOP Provider violating this provision  
564 shall be subjected to penalties under Rule 4 of this Circular.

565  
566 **17.2. RECs Derived from the GEOP.** End-Users under the GEOP and GEOP  
567 Providers may own and trade the corresponding attributed RECs under the  
568 voluntary RE Market (VREM). All RECs generated under the GEOP shall be for  
569 the account of the End-Users or the GEOP Providers, subject to their agreement.  
570 The DOE shall issue the rules and regulations for the implementation of this  
571 Section.

572  
573 Until such time that the DOE issues above-mentioned rules and regulations, the  
574 RECs generated from the energy supplied to the End-Users under the GEOP  
575 shall be for the account of the DUs; Provided, That the energy sales from the  
576 GEOP shall be part of the Net Electricity Sales of the DU for its RPS compliance  
577 requirement.

578  
579 **17.3. REC Eligibility and Issuance.** All RE generation under the GEOP shall be  
580 issued the corresponding RECs; Provided, That only RECs from RE facilities that  
581 are RPS-eligible under Sections 10 and 11 of the RPS Rules for On-Grid areas  
582 shall be allowed to be traded in the REM; Provided, further, That all RECs  
583 generated under the GEOP, regardless of RPS-eligibility shall be allowed to be  
584 traded in the VREM or any international REC market, subject to applicable rules  
585 and other issuances of the DOE: Provided, finally, That all or any of the  
586 provisions of this paragraph may be repealed upon issuance of the DOE of the  
587 rules regulations on VREM.

588  
589 **RULE 4**  
590 **GEOP OPERATING PERMIT GUIDELINES**

591  
592 **Section 18. GEOP Provider Qualifications.**

593  
594 18.1. Any person, natural or juridical, registered and/or authorized to operate in the  
595 Philippines under existing Philippine laws and engaged in the business of  
596 generating and/or supplying electricity from RE Resources may apply for a  
597 GEOP Operating Permit as a GEOP Provider under GEOP;

598

599 18.2. Subject to Section 7, any RE Facility is eligible for GEOP, whether or not the  
600 same is eligible for RPS compliance as long as there is still available capacity or  
601 energy for supply under GEOP; and  
602

603 18.3. Owners and operators of RE Facilities constructed and operating prior to RE Act  
604 but registered under the RE Act may qualify as GEOP Provider under the GEOP.  
605

606 **Section 19. Application Requirements.** All applications, including new and renewal  
607 of the GEOP Operating Permit, shall be in writing and verified. All applicants shall  
608 likewise submit the following documents to the DOE:  
609

610 19.1. Affidavit of undertaking on the capability to supply and deliver the RE generation  
611 to the End-User;  
612

613 19.2. Proof of Contract/s for the Supply of Replacement Power in accordance with  
614 Section 17.1 of this Circular; and  
615

616 19.3. Proof of payment of the processing fee.  
617

618 All existing RES under the Retail Competition and Open Access program intending to  
619 supply electricity under the GEOP shall apply for a GEOP Operating Permit and  
620 comply with all the requirements stated herein; Provided, That in any application for  
621 renewal of GEOP-RES License with the ERC, the GEOP Operating Permit shall, for  
622 purposes of supplying electricity under the GEOP, be accepted in lieu of all other  
623 requirements, documentary or otherwise.  
624

625 **Section 20. Processing and Approval of Applications.**  
626

627 20.1. The DOE, through the REMB, shall be responsible for evaluating all applications  
628 for the issuance of GEOP Operating Permits to eligible GEOP Providers.  
629

630  
631 20.2. Within twenty (20) working days from the submission of complete application  
632 documents and compliance with the requirements, the REMB Director shall  
633 recommend to the Secretary the approval or disapproval of the application.  
634

635 20.3. The application shall be acted upon by the DOE Secretary, upon endorsement  
636 by the Supervising Assistant Secretary and Undersecretary of the REMB.  
637

638  
639 **Section 21. Period of Validity.** The GEOP Operating Permit shall be valid for a  
640 period of five (5) years from the date of issuance stated therein, unless earlier revoked  
641 by the DOE for any violation of this Circular.  
642

643 **Section 22. Renewal of Application.** Six (6) months prior to its expiration, the  
644 GEOP Provider may apply for renewal of its GEOP Operating Permit, subject to  
645 submission of required documents and payment fee under Section 15 of this Circular.  
646

647 **Section 23. Suspension, Revocation or Cancellation of GEOP Operating**  
648 **Permits.** The DOE may suspend, revoke, or cancel any GEOP Operating Permit on  
649 the following grounds:  
650

651 23.1. Failure of the GEOP Provider to comply with its obligations under the GEOP  
652 Rules and the terms and conditions under which the GEOP Operating Permit  
653 was issued;

654  
655 23.2. Providing false or misleading information to the End-User or the DOE;

656  
657 23.3. Failure to respond to DOE directives, communications, inquiries within the  
658 periods provided therein, or address customer complaints within five (5) working  
659 days from receipt of the same; and

660  
661 23.4. Termination of the GEOP Contract by the End-User for cause.

662  
663 Upon a positive finding by the DOE that the GEOP Provider has committed of any of  
664 the above enumerated grounds, the latter shall be required to explain in writing why  
665 its GEOP Operating Permit should not be suspended, revoked, or cancelled. The  
666 GEOP Provider shall be given a non-extendible period of fifteen (15) calendar days to  
667 submit its explanation, which shall be accompanied by supporting documents.

668  
669 Not later than fifteen working (15) days from its receipt of the GEOP Provider's written  
670 explanation, the REMB shall submit its findings and recommendations to the DOE  
671 Secretary, through its Supervising Assistant Secretary and Undersecretary. The DOE  
672 Secretary shall have a period of five (5) working days to act upon said  
673 recommendation. The decision of the DOE Secretary shall be final and immediately  
674 executory.

675  
676 The GEOP Provider shall immediately be notified of the decision of the DOE Secretary  
677 in writing, within three (3) days upon receipt by REMB of the DOE Secretary's decision,  
678 through personal service, registered mail, private courier service, or through electronic  
679 mail.

680  
681 **Section 24. Penalties.** Without prejudice to Rule 5 of this Circular, the following are  
682 the penalties which may be imposed upon a GEOP Provider which has been found to  
683 have committed any of the acts provided in Section 23 hereof and has failed to provide  
684 justifications therefor:

685  
686 24.1. **First Offense.** Suspension of the GEOP Operating Permit for six (6) month;

687  
688 24.2. **Second Offense.** Suspension of the GEOP Operating Permit for one (1) year;  
689 and

690  
691 24.3. **Third Offense.** Cancellation/ Revocation of the GEOP Operating Permit.

692  
693 Provided, That, in cases where the GEOP Provider was found to have twice committed  
694 the same violation in succession, the GEOP Operating Permit shall be  
695 cancelled/revoked.

696  
697 **RULE 5**  
698 **PROHIBITED ACTS AND SANCTIONS**

699  
700

701 **Section 25. Prohibited Act.** Pursuant to Section 35(e) of the RE Act, non-  
702 compliance with or violation of the GEOP Rules shall be subject to the administrative  
703 and/or criminal penalties herein provided.

704  
705 **Section 26. Penalties for Non-Compliance.** Consistent with RE Act, its IRR and  
706 this Circular, the following administrative and criminal sanctions may be imposed:

707  
708 26.1. **Administrative Liability.** The DOE may impose a penalty ranging from a  
709 minimum of One Hundred Thousand Pesos (P100,000.00) to Five Hundred  
710 Thousand Pesos (P500,000.00) or, upon its discretion, may recommend to the  
711 appropriate government agency, the revocation of the DU's or Generation  
712 Facility's license, franchise or authority to operate;

713  
714 26.2. **Criminal Liability.** In accordance with Section 36 (Penalty Clause) and Section  
715 35 (Prohibited Acts) of the RE Act, any person who willfully fails to comply with  
716 or violates the GEOP Rules shall be imposed with the penalties provided under  
717 the RE Act. Any person who willfully aids or abets the commission of such failure  
718 or violation or who causes the commission of any such act by another shall be  
719 liable in the same manner as the principal.

720  
721 In the case of associations, partnerships or corporations, the penalty shall be  
722 imposed on the partner, president, chief operating officer, chief executive officer,  
723 directors or officers responsible for the violation.

724  
725 The failure to comply with or any violation of the GEOP Rules, upon conviction  
726 thereof, shall be imposed the penalty of imprisonment of one (1) year to five (5)  
727 years, or a fine ranging from a minimum of One Hundred Thousand Pesos  
728 (P100,000.00) to One Hundred Million Pesos (P100,000,000.00), or twice the  
729 amount of damages caused or costs avoided for non-compliance, whichever is  
730 higher, or both upon the discretion of the court.

731  
732 This is without prejudice to the penalties provided for under existing  
733 environmental regulations prescribed by the Department of Environment and  
734 Natural Resources or any other concerned government agency;

735  
736 26.3. The DOE Rules of Practice and Procedure shall be applicable to cases for the  
737 imposition of the foregoing penalties; and

738  
739 26.4. In no case shall a fine or penalty imposed on a DU or RE Provider/Generation  
740 Facility be charged to any of its End-Users or be considered as a substitute for  
741 compliance.

742  
743 **Section 27. Dispute Resolution.** Any disputes between GEOP Providers and End-  
744 Users arising from the performance or interpretation of any provision hereof shall be  
745 referred to the GEOP Oversight Committee in accordance with guidelines to be  
746 subsequently issued by the DOE.

747  
748 In the event that a resolution cannot be reached through the GEOP Oversight  
749 Committee, the aggrieved party may then proceed to file the dispute with the regular  
750 courts of competent jurisdiction.

751

752 **Section 28. Separability Clause.** If any provision of this Circular is declared invalid  
753 or unconstitutional, the other provisions not affected thereby shall remain valid and  
754 subsisting.

755  
756 **Section 29. Repealing Clause.** All previous issuances, rules, and regulations  
757 inconsistent with this Circular are hereby repealed, amended, or modified accordingly.  
758 Correspondingly, DC2018-07-0019 and DC2020-04-0009 are hereby repealed.

759  
760 **Section 30. Effectivity.** This Circular shall take effect fifteen (15) days after its  
761 publication in at least two (2) newspapers of general circulation. Copies of this Circular  
762 shall be filed with the University of the Philippines Law Center — Office of the National  
763 Administrative Register.

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768

**RAPHAEL P.M. LOTILLA**  
*Secretary*