**DEPARTMENT CIRCULAR NO. DC2024-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PRESCRIBING AMENDMENTS TO**

**DEPARTMENT CIRCULAR NO. DC2023-10-0029 TITLED,**

**“PROVIDING SPECIFIC AUCTION POLICY AND GUIDELINES FOR NON-FIT-ELIGIBLE RENEWABLE ENERGY TECHNOLOGIES IN THE GREEN ENERGY AUCTION PROGRAM”**

**WHEREAS,** on 12 December 2023,the Department of Energy (DOE) issued Department Circular (DC) No. DC2023-10-0029 titled, “Providing Specific Auction Policy and Guidelines for Non-FIT-Eligible Renewable Energy Technologies in the Green Energy Auction Program”;

**WHEREAS,** on 25 March 2024,the DOE issued amendments to the above DC clarifying that the Energy Regulatory Commission (ERC) shall promulgate the rules on the Price Determination Methodology (PDM) for Non-FIT-Eligible RE Technologies in the GEAP;

**WHEREAS,** Section 7 of said DC2023-10-0029 provides that the payment and settlement for the Non-FIT GET to the Non-FIT Eligible RE Facilities of Winning Bidders shall be collected and administer through the WESM by the Market Operator.

**WHEREAS,** Pumped-Storage Hydropower (PSH) is distinct from Geothermal and Impounding hydro facilities due to its combined ability to store and generate energy and capability to provide ancillary services and grid support;

**WHEREAS,** there is a need to provide a separate settlement mechanism for PSH Facilities that takes into account their design and operational characteristics having the capability to support greater entry of variable REs and power system flexibility;

**NOW, THEREFORE,** pursuant to its authority under Republic Act No. 9513, or the Renewable Energy Act of 2008, the DOE hereby adopts, issues, and promulgates the following amendments to DC No. DC2023-10-0029:

**Section 1.** Section 4(c), is hereby amended to read as follows:

“***c. Price Offer -*** refers to the price in PhP/kWh of energy generated by the specific capacity that a Qualified Bidder offered and awarded in the Auction Round: Provided, That in the case of PSH Projects, the Price Offer shall be the price in PhP/kWh of the equivalent Available Capacity offered in the WESM per trading interval over the monthly billing periods; Provided, Further, that the Available Capacity shall not in any way exceed the Capacity Offered and cleared in the Auction Round; and”

**Section 2.** Section 7 is hereby amended to read as follows:

“**Section 7. Settlement of the Non-FIT GET due to the Winning Bidders.**

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“The payment and settlement for the Non-FIT GET to the Non-FIT Eligible RE Facilities of Winning Bidders shall be collected and administered through the WESM by the Market Operator.As such, the Non-FIT Eligible RE Facilities of Winning Bidders must be registered in the WESM in accordance with the WESM Rules and Market Manuals and relevant rules and regulations.

The Non-FIT Eligible RE Facilities of Winning Bidders shall be paid with the Total GEA Amount, without regard to the Energy Trading Amount in the WESM following the formula below:

$$Total GEA Amount = Energy Delivered in kWh ×Non-FIT GET in PhP/kWh$$

In the case of PSH Facilities, the Winning Bidders shall be paid with the Total GEA Amount, without regard to the actual energy delivered or the Energy Trading Amount in the WESM, following the formula below:

$$Total GEA Amount= Available Capacity in kW in a billing month x NonFIT GET in Php/kWh$$

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**“Energy Trading Amount” or “ETA”** refers to the amount in Philippine Peso (PhP) to be paid by or paid to a trading participant, when it acts as a generator or a load, calculated in accordance with Section 8.2.1 of the Price Determination Methodology (PDM) Manual, and subsequent amendments thereto.​

For purposes of PSH, all references to Energy Trading Amount shall refer to the net of Energy Trading Amount when a PSH acts as a seller or operating as a generator the Energy Trading Amount when a PSH acts and as a buyer or operating as a pump.”

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**Section 3.** Section 7.4 is hereby added as follows:

“**Section 7.4. Revenues or Income Attributable for Winning Bidders.**

For the avoidance of doubt, regardless of the Energy Trading Amount, the revenues or income attributable to the Winning bidders shall be the Total GEA Amount it will receive based on the Non-FIT GET.

The available capacity in the computation of Total GEA Amount shall be the average actual capacity offered in each billing period pursuant to Section 1 hereof.”

**Section 5. Separability Clause.** If any section or provision of this Circular is declared invalid or unconstitutional, such parts not affected shall remain valid and subsisting.

**Section 6. Repealing Clause**. The provisions of other circulars, orders, issuances, rules, and regulations which are inconsistent with the provisions of this Circular, are hereby repealed, amended, modified, or superseded accordingly.

**Section 7. Effectivity**. This Circular shall take effect immediately after publication in two (2) newspapers of general circulation. A copy of this DC shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at the DOE, Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig City.

 **RAPHAEL P.M. LOTILLA**

Secretary