



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

**TO : ALL EXISTING DIRECTLY CONNECTED CUSTOMERS  
NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP)  
INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE  
PHILIPPINES (IEMOP)  
ALL GENERATION COMPANIES  
ALL CONCERNED DISTRIBUTION UTILITIES**

**FROM : SECRETARY OF ENERGY**

**DATE : APR 26 2021**

**SUBJECT : ADVISORY ON THE IMPLEMENTATION OF DOE DEPARTMENT  
CIRCULAR NO. DC2020-01-0001 AND OTHER CONCERNS  
RELATIVE TO DIRECT CONNECTION ARRANGEMENTS OF AN  
ELECTRICITY END-USER**

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Pursuant to its mandate under Republic Act No. 7638, otherwise known as the Department of Energy Act of 1992, and in consonance with various Supreme Court (SC) Rulings<sup>1</sup>, the DOE promulgated Department Circular Nos. DC2018-08-0025<sup>2</sup> and DC2020-01-0001<sup>3</sup> which governs the DOE's evaluation of applications filed by qualified end-users to be supplied with electricity through direct connection to the grid or sub-transmission assets that are still owned by the National Transmission Corporation.

Relative thereto, there were concerns raised necessitating the DOE's guidance on how these existing direct connection arrangements and their applications for renewal shall be treated in line with applicable guidelines of DC2020-01-0001.

Hence, the DOE hereby issues this Advisory to inform all the concerned entities, particularly Directly Connected Customers (DCCs) of the following:

A. All DCCs shall be guided as follows:

- 1) All existing arrangements for direct connection such as Power Supply Agreement (PSA) and Transmission Supply Agreement (TSA) of an electricity end-user that are in effect prior to the enforcement of the SC decision in the case of Mactan Electric Company, Inc. vs. National Power Corporation<sup>4</sup>

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<sup>1</sup> G.R. No. 112702, 26 September 1997; G.R. No. 127373, 25 March 1999; G.R. No. 135925, 22 December 2004; G.R. No. 172960, March 26, 2010

<sup>2</sup> "Prescribing the Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-users"

<sup>3</sup> "Prescribing the Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-users"

<sup>4</sup> G.R. No. 172960 dated 26 March 2010

(MECO ruling for brevity) shall be recognized by the DOE until the expiration of their respective PSA and/or TSA.

- 2) All DCCs that have acquired direct connection status from 26 March 2010 (promulgation of the MECO ruling) until 28 September 2018 (effectivity of DOE DC2018-08-0025), shall continue to be recognized as such, with or without a corresponding ERC approval, until the expiration of their respective PSA and/or TSA. Provided, that concerned DCCs shall register with the Market Operator (MO) as either Direct or Indirect Wholesale Electricity Spot Market (WESM) Member for proper and transparent accounting of energy withdrawn from the grid.
  - 3) All DCCs with PSA and/or TSA which became effective from 28 September 2018 to date, but was not able to seek prior approval from the Department, shall seek the DOE's confirmation of their DCC status by filing an online application through the Energy Virtual One-Stop Shop (EVOSS) portal (evoss.ph). Upon confirmation by the DOE, all affected DCCs shall register with the MO as either Direct or Indirect WESM Member for proper and transparent accounting of energy withdrawn from the grid.
- B. All Generation Companies supplying an electricity end-user through direct connection arrangements shall submit to the DOE the list of their customers having the said arrangements not later than one (1) month from the posting of this Advisory at the DOE website. Further, all Generation Companies, are directed to advice their existing DCCs to file for a renewal of their DCC status, not later than six (6) months from the expiration of their PSA.
- C. The IEMOP is hereby directed to submit not later the one (1) month from the posting of this Advisory, the list of WESM registered DCCs as well as those not registered but have entered into applicable arrangements for the accounting of energy in the grid. The IEMOP is also enjoined to advice all concerned DCCs particularly those that are under accounting arrangements to seek approval or confirmation of their status from the DOE.
- D. The NGCP shall submit to the DOE the list of their customers having the said arrangements not later than one (1) month from the posting of this Advisory at the DOE website. Further, the NGCP is hereby directed to advice their existing DCCs to file for a renewal of their DCC status, not later than six (6) months from the expiration of their transmission service agreement. Relative to this, the NGCP shall only commence reconnection once the DCC with expired TSA/renewed supply contracts with generation companies/suppliers can submit the DOE's letter approving or confirming the DCC status.

Please be guided accordingly. Thank you.

  
**ALFONSO G. CUSI**  
Secretary



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DEPARTMENT OF ENERGY  
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