



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

#### **ADVISORY**

**TO : All Concerned Local Government Units (LGUs) Hosting the Exploration, Development, Utilization, and Exploitation of Indigenous Energy Resources, Including Renewable Energy and Other Sources of Energy**

**FROM : Secretary Raphael P.M. Lotilla**

**CC : Department of Interior and Local Government (DILG)  
Department of Budget and Management (DBM)**

**SUBJECT : Utilization of the Share from the National Wealth/Government Share to Lower the Rates of Electricity**

**DATE : 19 December 2022**

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The rising and volatile prices of coal and oil in the international market have greatly affected the electricity rates of the customers in several areas nationwide, particularly those being served by distribution utilities and electric cooperatives sourcing their power supply from power plants utilizing said fuels.

In this regard, the Department of Energy (DOE) hereby issues this Advisory to inform and remind the LGUs hosting the exploration, development, utilization, and exploitation of indigenous energy resources that 80% of the National Wealth Tax (NWT) from these energy resources must be used to lower the electricity rates through subsidy and non-subsidy schemes pursuant to the provisions of the following laws, rules and regulations and issuances:

1. Sections 289 to 294 of Republic Act (RA) No. 7160 or the Local Government Code (LGC) of 1991;
2. Joint Department of Interior and Local Government (DILG) – DOE Circulars Nos. 95-01 and 98-01 providing the guidelines on the utilization of 80% of NWT pursuant to Section 294 of the LGC;
3. Rule 29 (B) of the Implementing Rules and Regulations of RA 9136 or the "Electric Power Industry Reform Act of 2001"; and
4. Section 20, Rule 2, Chapter 5 of RA 9513 or the Renewable Energy (RE) Act of 2008.

To alleviate the plight of electricity consumers bearing the high cost of electricity, the DOE enjoins all concerned LGUs to prioritize the use of NWT to reduce the cost of electricity of their constituents in accordance with the relevant laws, rules, and regulations.

The DOE likewise enjoins the cooperation and coordination among LGUs, the DILG, the DBM and other concerned government and private entities in making this mechanism work to address the high electricity costs that the consumers are currently facing.

Moreover, the DOE reiterates the observance by all LGUs with DILG-DOE Joint Circular No. 2020-01, also known as the LGU Energy Code, for the LGUs to maximize the benefits of all energy projects.

Please be guided accordingly. Thank you.

  
**RAPHAEL P.M. LOTILLA**  
Secretary

