



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. _____

**ADOPTING FURTHER AMENDMENTS TO THE RETAIL RULES AND RETAIL
MARKET MANUALS FOR THE IMPLEMENTATION OF RULES
SUPPLEMENTING THE SWITCHING AND BILLING PROCESS AND ADOPTING
A DISCONNECTION POLICY FOR CONTESTABLE CUSTOMERS**

WHEREAS, Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001 (EPIRA)” declared as policy of the State 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 and 37(p) of the EPIRA mandates the DOE to supervise the restructuring of the electricity industry and formulate such rules and regulations as may be necessary to implement the objectives of the Act;

WHEREAS, Sections 30 and 37(f) of the EPIRA provides that the DOE, jointly with the electric power industry participants, shall establish the Wholesale Electricity Spot Market (WESM) and formulate the detailed rules governing the operations thereof;

WHEREAS, Sections 31 of the EPIRA provides the implementation of the Retail Competition and Open Access (RCOA).

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular No. DC2002-06-003;

WHEREAS, on 09 January 2013, following series of public consultations with stakeholders of the electric power industry, the DOE promulgated the Retail Rules through Department Circular No. DC2013-01-0002, entitled “Promulgating the Retail Rules for the Integration of Retail Competition and Open Access in the Wholesale Electricity Spot Market” (Retail Rules);

WHEREAS, on 09 July 2013, the Department of Energy (DOE) issued Department Circular No. DC2013-07-0014 entitled “Promulgating the Retail Market Manuals for the Implementation of Retail Competition and Open Access” (Retail Market Manuals);

WHEREAS, any changes, amendments, and modifications to the WESM Rules, Retail Rules and their Market Manuals shall be undertaken in accordance with the provisions of Chapter 8 of the WESM Rules;

WHEREAS, on 26 March 2018, the ERC issued Resolution No. 09, Series of 2018, adopting the “Rules Supplementing the Switching and Billing Process and Adopting a Disconnection Policy for the Contestable Customers”;

WHEREAS, on 14 August 2019, the Independent Electricity Market Operator (IEMOP) of the Philippines (IEMOP) submitted to the Rules Change Committee (RCC) its proposed amendments to the Retail Rules and Retail Manuals in line with the implementation of the ERC Resolution No. 9, Series of 2018;

WHEREAS, on 16 August 2019, the RCC during the 155th RCC Meeting discussed with IEMOP the abovementioned proposed amendments, and thereafter approved the publication of the proposed amendments in the Philippine Electricity Market Corporation's (PEMC) information website to solicit comments from market participants and other interested parties;

WHEREAS, the Philippine Electricity Market Corporation, MERALCO, Aboitiz Power Corporation, and SPC Power Corporation submitted comments to the proposal;

WHEREAS, 18 October 2019, the RCC during its 157th RCC Meeting deliberated on the proposal giving due consideration to the submitted comments received from market participants, and thereafter finalized and approved for endorsement to the PEM Board;

WHEREAS, on 27 November 2019, after due evaluation and deliberation, the PEM Board during its 18th Regular PEM Board Meeting, approved for endorsement to the DOE the above stated RCC-approved proposal;

WHEREAS, on 19 December 2019, the PEM Board-approved amendments were submitted to the DOE for final approval, in compliance with Chapter 8 of the WESM Rules;

WHEREAS, on _____ 2020, the DOE conducted various public consultation on the said proposed amendments to ensure transparency and consistency with the objectives of the EPIRA and the RCOA;

WHEREAS, the DOE reviewed the said PEM Board-approved proposal and the comments and recommendations from the public consultation, made further revisions on the proposed amendments for consistency with the objectives of the WESM such as transparency and efficiency;

NOW THEREFORE, pursuant to its authority under the EPIRA and the WESM Rules, the DOE hereby adopts, issues, and promulgates the following amendments to the Retail Rules and Market Manuals:

Section 1. Amendments to the Retail Rules. The provisions in the Retail Rules in the attached matrix (ANNEX A) are hereby amended.

Section 2. Amendments to the Retail Manual on Registration Criteria and Procedure. The provisions in the Retail Manual on Metering Manual on Metering Standards and Procedures 2.0 in the attached matrix (ANNEX B) are hereby amended:

Section 3. Amendments to the Retail Manual on Market Transactions Procedure. The provisions in the Retail Manual on Metering Manual on Metering

Standards and Procedures 2.0 in the attached matrix (ANNEX C) are hereby amended:

Section 4. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 5. Effectivity. This Circular shall take effect 15 days following its complete publication in at least two (2) newspapers of general circulation. Copies thereof shall be filed with the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

Issued this _____ 2020 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary