



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

DEPARTMENT CIRCULAR NO. \_\_\_\_\_

**PROVIDING SUPPLEMENTAL POLICY TO DEPARTMENT CIRCULAR NO.  
DC2018-08-0021 ENTITLED "PROVIDING FOR THE AMENDMENTS TO  
RULE 29 PART (A) OF THE IMPLEMENTING RULES AND  
REGULATIONS OF REPUBLIC ACT NO. 9136"**

**WHEREAS**, on 26 July 2018, the DOE issued Department Circular (DC) No. DC2018-08-0021 entitled "Providing for the Amendments to Rule 29 Part (A) of the Implementing Rules and Regulations of Republic Act No. 9136", which took effect on 23 August 2018, to provide the rules and Guidelines for the administration of the financial benefits under the ER 1-94 Program to promote efficiency in the government processes and ensure that the financial benefits are properly allocated and availed of;

**WHEREAS**, on 28 December 2018, the DOE has issued Department Order No. D02019-01-0001 entitled "Providing the Internal Guidelines and Procedure for the Transfer of Existing Funds in Relation to the Financial Benefits Under ER 1-94";

**WHEREAS**, the concerned stakeholders of the ER 1-94 Program have identified and recommended various improvements in the policy, hence, necessitating additional guidelines for the implementation of the ER 1-94 Program in order to ensure efficiency, economy and effectiveness;

**WHEREAS**, the DOE recognized the need to further define the allocation and audit of the financial benefits of the host communities for recognized highly urbanized cities;

**WHEREAS**, on **14 November 2022**, a public consultation was held with Metro Manila Development Authority, and concerned National Capital Region Local Government Units to discuss the proposed supplemental guidelines for ER 1-94;

**NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby issues and promulgates the following amendatory provisions to DC2018-08-0021 as follows:

**Section 1. Scope**

This Circular shall apply to all recognized Highly Urbanized Cities (HUCs) included in the latest official Census and all other cities yet to be declared pursuant to the Rules and Regulations Implementing the Local Government Code of 1991, see attached "Annex A".

**Section 2.** Section 6. Allocation and application of Financial Benefits Fund is revised to read as follows:

x x x

6.2. Development and Livelihood Fund (DLF) and Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF)

x x x

For the Regional share, the Regional Development Council (RDC) shall identify its beneficiaries, which may be a host or non-host LGU, within the region. The allocated and approved share shall then be remitted by the generating facility and/or energy resource developer to the identified beneficiaries through its trust account/s for the host LGUs and/or general fund account for non-host LGUs.

For the allocation of provincial share, it shall be determined based on the following conditions:

a. HUCs within a legislative district of the Host Province

The financial benefits shall be allocated consistent with Section 6.2 of DC2018-08-0021.

b. HUCs not within a legislative district of the Host Province

The financial benefits shall be added to the Regional Share where the generation facility is physically located and shall be applied in the following manner:

- |                                   |       |
|-----------------------------------|-------|
| (a) Community and People Affected | - 5%  |
| (b) Host Barangay/s               | - 20% |
| (c) Host City/ies                 | - 35% |
| (d) Host IP/ICC                   | - 5%  |
| (e) Host Region                   | - 35% |

**Section 3. Separability Clause.** If for any reason, any provision of this Circular or application of the such provision is held invalid, the other provisions hereof as they are separable, shall remain in full force and effect.

**Section 4. Repealing Clause.** All prior issuances, rules, regulations, or part thereof which are inconsistent with this Circular are hereby repealed, revoked, amended, or modified accordingly.

**Section 5. Effectivity.** This Circular shall take effect within fifteen (15) days after its complete publication in two (2) newspapers of general nationwide circulation and

submission to the University of the Philippines Law Center – Office of National Administrative Register.

Issued on \_\_\_\_\_ 2023 at DOE Building, Energy Center, Rizal Drive, Fort Bonifacio Global City, Taguig City.

**RAPHAEL P. M. LOTILLA**  
Secretary