



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

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

**PROVIDING FOR FURTHER POLICIES ON THE IMPLEMENTATION OF THE  
RETAIL COMPETITION AND OPEN ACCESS**

**WHEREAS**, Republic Act No. 9136, otherwise known as the as “Electric Power Industry Reform Act of 2001 (EPIRA)” declared as policy of the State 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 31 of EPIRA mandates that Upon the initial implementation of open access, the Energy Regulatory Commission (ERC) shall allow all electricity End-users with a monthly average peak demand of at least one (1) megawatt (MW) for the preceding twelve (12) months to be the contestable market. Two (2) years thereafter, the threshold level for the contestable market shall be reduced to 750 kilowatts (kW). At this level, Aggregators shall be allowed to supply electricity to end-users whose aggregate demand within a contiguous area is a least 750 kW. Subsequently and every year thereafter, the ERC shall evaluate the performance of the market. On the basis of such evaluation, it shall gradually reduce the threshold level until it reaches the household demand level;

**WHEREAS**, Section 37 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**, on 24 February 2012, designated the Philippine Electricity Market Corporation (PEMC), as the then Market Operator, was designated as Central Registration Body (CRB) by the DOE thru Department Circular No. DC2012-02-0002 to, among others, undertake the following development and management of the required systems and processes, and information technology system that shall be capable of handling customer switching and information exchange among retail electricity market participants; and (b) the settlement of their transaction in Wholesale Electricity Spot Market (WESM);

**WHEREAS**, on 09 May 2012, the DOE promulgated Department Circular No. DC2012-05-0005, prescribing the general policies for the implementation of RCOA and Section 3 thereof provides that RCOA shall be integrated with the WESM;

**WHEREAS**, Section 3 of DC2012-05-0005 further provides that for the purpose of RCOA integration into the WESM, all Contestable Customers (CCs) shall become members of the WESM as Trading Participant, directly or indirectly;

**WHEREAS**, on 29 November 2017, the DOE issued policy providing for the timeline of lowering the demand threshold level in voluntary participation of the Contestable Customer on the retail market;

**WHEREAS**, the lowering of the threshold is expect to increase the number of eligible Contestable Customers;

**WHEREAS**, the mandatory registration as of Contestable Customers to the WESM as required pursuant DC2012-05-0005 may pose barrier for the entry of lower threshold Contestable Customers to the retail market;

**WHEREAS**, on 26 September 2018, the Independent Electricity Market Operator of the Philippines (IEMOP) as the Independent Market Operator (IMO) assumed the operation of PEMC as the Market Operator (MO).

**NOW THEREFORE**, for and consideration of the foregoing, the DOE hereby issues, adopts and promulgates the following policies for the continuous development and implementation of RCOA as embodied in the EPIRA and full attainment of its objectives:

**Section 1. LIFTING OF MANDATORY REGISTRATION OF CONTESTABLE CUSTOMERS TO THE WESM.** The mandatory registration to the WESM of all CCs pursuant to Section 3 of DC2012-05-0005 is hereby is hereby lifted. For this purpose, CCs, on its choice, may register with the WESM, directly or indirectly. Notwithstanding, all CC's shall register with the Central Registration Body for energy accounting and settlement purposes of Suppliers, Distribution Utilities and other entities that may be affected on the implementation of this policy.

**Section 2. DESIGNATION OF THE IMO AS THE CENTRAL REGISTRATION BODY.** The DOE is hereby designating the IMO as the new CRB in view of the transfer of PEMC's market operations functions. For this purpose, IEMOP as the designated IMO, shall assume all the functions and responsibilities of the CRB. Likewise, IEMOP shall upgrade, modify or develop its registration systems, processes and guidelines for the registration of the RCOA Participants. IEMOP shall likewise recommend changes to the WESM Rules, Retail Rules and Market Manuals that may be affected by the implementation of this Circular.

**Section 3. RESPONSIBILITY OF THE PEMC.** PEMC as the governing arm of the market shall recommend to the DOE the appropriate changes on existing WESM Rules, Retail Rules and Market Manuals to carry out policies for the further development of RCOA, including among others, voluntary registration of CCs in the WESM and retail aggregation.

**Section 4. SEPARABILITY CLAUSE.** If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 5. REPEALING CLAUSE.** Except insofar as may be manifested inconsistent herewith, nothing in this Circular shall be construed as to repeal any of the mechanisms already existing or responsibilities already provided for under existing rules.

**Section 6. EFFECTIVITY.** These amendments shall take effect 15 days following its publication in two (2) newspapers of general circulation.

Issued on \_\_\_\_\_ at Energy Center, Bonifacio Global City, Taguig City.

**ALFONSO G. CUSI**  
Secretary