

**VIVANT CORPORATION**

COMMENTS ON DRAFT DOE DEPARTMENT CIRCULAR PROVIDING GUIDELINES GOVERNING THE  
ESTABLISHMENT OF THE RENEWABLE PORTFOLIO STANDARD (RPS)

21 JUNE 2016

<p><b>Rule 2, Section 6</b></p>	<p><b>Implementation of the RPS Rules.</b> Upon the effectivity of this Circular, the RPS Rules shall be implemented in Luzon, Visayas and Mindanao grids; xxx <i>Provided, further,</i> That public consultation with Mindanao stakeholders and electric power industry participants no later than 1 year for the effectivity of this circular will be required</p>	<p>It is not clear when the one (1) year period will be reckoned from. Please clarify.</p>
<p><b>Rule 3, Section 9</b></p>	<p><b>Eligible Renewable Energy Technologies.</b> – For purposes of compliance with the RPS rules, the following RE resources shall be eligible:</p> <p align="center">xxx</p> <p>g. Impounding hydropower sources that meet internationally accepted standards;</p>	<p>We would like to clarify why there is an additional qualification for impounding hydropower sources to meet internationally accepted standards. What warranted this distinction from other eligible RE resources? What specifically are the internationally accepted standards contemplated by DOE?</p>
<p><b>Rule 4, Section 14</b></p>	<p>Section 14. Compliance Mechanisms. The Mandated Participant shall use any one, a combination thereof, or all of the following in complying with this circular.</p> <p align="center">xxx</p> <p>e. Any generation from Net Metering arrangements</p>	<p>Net metering is for installations of 100 kW and below. If REC are to be granted for every 1 MWh generated how will this accounted for in a DUs system? Will the generated kwh be accumulated until it reaches the 1 MWh threshold? How will this be accounted for if it takes several billing periods to reach the 1 MWh threshold?</p>
<p><b>Rule 4, Section 15</b></p>	<p><b>Section 15. General Principles on the Establishment of the REM and the RE Registrar.</b> The DOE shall establish the REM to facilitate the issuance, commercialization and verify compliance with the annual RPS requirement. As part of the REM, the PEMC, under the supervision of the DOE shall establish the RE Registrar and shall issue, keep and verify RECs corresponding to energy generated from eligible RE facilities. The following principles shall be considered in</p>	<p>On Item (f), will the DOE provide the guidelines/procedures for the assessment of non-compliance and determination of appropriate penalties? The draft circular simply provides a range of PhP100,000.00 – PhP500,000 for the penalties. It is not clear if the amount of penalties is left to the discretion of the DOE. We would recommend providing a table of penalties with the corresponding violations to avoid the imposition of arbitrary amounts that are not commensurate with the violations,</p>

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	<p>the establishment of the rules and guidelines governing the REM and the RE Registrar:</p> <p align="center">xxx</p> <p>f. The Mandated Participant may be assessed periodically with corresponding penalties for non-compliance with the RPS requirement consistent with the REC validity.</p>	<p>especially if the non-compliances are very minimal.</p>
<p><b>Rule 5, Composite Team</b></p>	<p><b>Creation of Composite Team.</b> For the purpose of implementing the provisions of this Circular, a composite Team is hereby created to be composed of the representatives from the following:</p> <p align="center">xxx</p>	<p>We note that the current Composite Team does not include representatives from the Participants side. As the sector most impact by this circular we recommend that the Mandated Participants to also have a representative on this composite team.</p> <p>Furthermore, we also believe that the qualifications of the head of the Composite Team should have certain qualifications to warrant their appointment to such a position of responsibility.</p>
<p><b>Rule 8, Section 24</b></p>	<p><b>Reportorial Requirements.</b> The DOE shall establish a reliable database to serve as the baseline in the calculation and monitoring of the compliance of the Mandated Participants: provided, That EPIMB and REMB will coordinate in this regard. To this end, the following entities shall be required to submit within six (6) months from the effectivity of this Circular, the following documents:</p> <p align="center">xxx</p> <p>b. All Generating Companies shall be required to submit data on sales to their DCCs for the period to be identified by the DOE</p>	<p>Data on sales of Generation Companies to its Customers (the BCQ declarations) are available in the WESM. It will be more efficient if the EPIMB can liaise directly with the MO to obtain these data rather than require the Generation Companies to submit the same.</p>