



## ADVISORY

**TO** : ALL DISTRIBUTION UTILITIES

**SUBJECT** : MORATORIUM ON THE ISSUANCE OF CERTIFICATE OF EXEMPTION FROM THE CONDUCT OF COMPETITIVE SELECTION PROCESS UNDER SECTION 2.2.1.2 AND THE REVIEW OF THE TERMS OF REFERENCE FOR UNSOLICITED PROPOSALS UNDER DC2021-09-0030

**DATE** : 03 April 2023

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Pursuant to Department of Energy (DOE) Department Circular (DC) No. DC2018-02-0003<sup>1</sup>, as amended and supplemented by DC No. DC2021-09-0030<sup>2</sup>, the DOE issues the Certificate of Exemption from the conduct of Competitive Selection Process (COE-CSP) under Section 2 of the said DCs, and the review of the Terms of Reference (TOR) for an Unsolicited Proposal (USP).

The DOE, in coordination with the Energy Regulatory Commission (ERC) and the National Electrification Administration (NEA), is currently drafting a new CSP policy, subject to public consultation, that aims to rationalize and streamline the conduct of CSP – particularly the issuance of COE-CSP, and the review of the TOR for USP, among others. This is to ensure the timely and responsive procurement of power supply by the distribution utilities (DUs) for their captive market. This includes the cohesive, complementary, and inter-operable responsibilities of the DOE, ERC, and NEA under Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA).

In this regard, the DOE hereby issues this Advisory for a moratorium on the issuance of a COE-CSP and the review of the TOR on the USP to ensure a smooth transition to the new Circular upon its effectivity.

### I. Issuance of COE-CSP

#### A. For COE-CSP requests under Section 2.2.1.2 (*force majeure*)

The DOE hereby suspends the issuance of the COE-CSP on this ground upon the effectivity of this Advisory. In the alternative, the DU and the power supplier shall jointly file their Emergency Power Supply Agreement (EPSA) before the ERC for its approval; *Provided*, that **the EPSA shall comply with all of the conditions set forth under Items 3.13 and 3.30 of Section**

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<sup>1</sup> *Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market*

<sup>2</sup> *Amending Certain Provisions of and Supplementing Department Circular No. DC2018-02-0003 on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market*

**3 and Section 2.2.1.2 of DC2021-09-0030.** The justification and proof of its compliance with the requirements under this Section of the CSP Policy shall be integrated in its application before the ERC, subject to the Commission's final review and approval.

For **COE-CSP applications with complete requirements filed with the DOE before the effectivity of this moratorium**, the DOE shall continue to process the same under the existing policy.

B. For COE-CSP requests under (a) Section 2.2.1.1 (*grant or donation*), (b) Section 2.2.1.3 (*embedded generation*), (c) Section 2.2.1.4 (*PSALM*), and (d) Section 2.2.1.5 (*NPC*)

i) For **COE-CSP applications, with complete requirements and submitted to the DOE before and during the effectivity of this moratorium**, the DOE shall continue to process these applications pursuant to the current CSP Policy; and

ii) For **COE-CSP applications with incomplete requirements and submitted to the DOE before the effectivity of this moratorium**, the DOE shall process the application under the current CSP Policy; Provided, that the remaining requirements are completed during the period of this moratorium.

## II. Review of the TOR for the USP

The DOE will suspend the review of the TOR for the USP until the promulgation of the new CSP policy.

This Advisory shall be effective immediately upon posting on the DOE website and will remain in effect until revoked or a new policy governing the CSP has been promulgated by the DOE.

Please be guided accordingly. Thank you.

  
RAPHAEL P.M. LOTILLA  
Secretary

