



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

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4
5 DEPARTMENT CIRCULAR NO. _____
6

7 **DIRECTING AMENDMENTS AND PROVIDING ADDITIONAL GUIDELINES TO**
8 **DEPARTMENT CIRCULAR NO. DC 2004-02-002 ENTITLED “PRESCRIBING THE**
9 **GUIDELINES FOR THE FORMULATION OF A FIVE-YEAR DISTRIBUTION**
10 **DEVELOPMENT PLAN PURSUANT TO SECTION 2 OF DEPARTMENT OF**
11 **ENERGY CIRCULAR NO. DC 2003-12-011, ENTITLED “ENJOINING ALL**
12 **DISTRIBUTION UTILITIES TO SUPPLY ADEQUATE, AFFORDABLE,**
13 **QUALITY, AND RELIABLE ELECTRICITY”**
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16 **WHEREAS**, Section 2(b) of the Republic Act No. 9136, otherwise known as the Electric
17 Power Industry Reform Act of 2001 (EPIRA), declares the policy of the State to ensure the
18 quality, reliability, security and affordability of the supply of electric power;

19 **WHEREAS**, under the EPIRA, the Department of Energy (DOE) in line with its mandate to
20 supervise the restructuring of the electricity industry, has the responsibility to prepare and
21 update annually a Power Development Plan which shall consider and integrate the individual
22 or joint development plans of the transmission, generation and distribution sectors of the
23 electric power industry;

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25 **WHEREAS**, pursuant to its mandate, the DOE issued Department Circular (DC) No.
26 DC2004-02-002, prescribing the guidelines for the formulation of the Distribution
27 Development Plan (DDP);
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29 **WHEREAS**, with the passage of Republic Act No. 9513 or Renewable Energy Act of 2008
30 and the issuances, among others, of rules, regulations and guidelines on Retail Competition
31 and Open Access, Missionary Electrification Development Plan, Competitive Selection
32 Process, Resiliency Compliance Plan, and Executive Order No.30 relating to Energy Projects
33 of National Significance, the DOE aims to harmonize and integrate these policy issuances to
34 be responsive to recent developments and to be able to craft comprehensive and well-
35 balanced policies;

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37 **NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby issues and
38 promulgates the following amendments and provides additional guidelines to DC2004-02-
39 002:
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45 **SECTION 1. Amendments to DOE DC2004-02-002**

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47 a) Section 3 of DOE DC2004-02-002 is hereby amended to read as:

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49 **SECTION 3. Contents of the DDP**

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51 DUs are to submit the DDP form with complete information applicable to their
52 respective system. The DDP shall contain the following detailed information:

- 53
54 1. **General provision.** This section consists of the basic information of
55 the DU, including a brief description of its franchise area.
56
57 2. **Off-grid Details.** This section consists of the number of customers,
58 supply, and demand of individual small-grid areas of DUs with off-
59 grid system.
60
61 3. **Customers.** This section consists of the number of energized and un-
62 energized Barangays and Households, Captive and Contestable
63 Customers, Customers outside franchise, and Customers with Net
64 Metering.
65
66 4. **Demand.** This section consists of the annual sales and peak demand,
67 energy generated and/or purchased, system loss, monthly energy and
68 peak demand requirement and hourly load profile of the DU.

69
70 To normalize the projected demand and energy requirement to
71 determine appropriate infrastructure reinforcement/expansion, DUs
72 shall take into account the demand and energy lost experienced in the
73 previous year due to Force Majeure, Fortuitous Events, and Significant
74 Incidents in the preparation of the projected demand, energy
75 requirement, and Capital Expenditure (CapEx) Program. As such, the
76 projection shall indicate the following to wit:

- 77
78 i.i. DDP with unserved energy; and
79 i.ii. DDP Business-as-Usual.
80

- 81 5. **Supply.** This section consists of the information regarding the source
82 of electricity supply of a DU such as Contracted Supply, and Power
83 Supply Agreements (PSA) for approval of the Energy Regulatory
84 Commission (ERC).
85

86 In accordance with the mandate of all DUs to undergo Competitive
87 Selection Process, this section also consists of a Power Supply
88 Procurement Plan (PSPP) on the procurement of PSA.
89

- 90 6. **Capital Expenditures.** This section consists of the list of
91 infrastructure projects and its corresponding capital expenditures,
92 including reactive compensation plan and other distribution
93 reinforcement plan.

94 This shall also include CapEx Programs of DUs for resiliency to
95 ensure the ability of the DUs' assets, networks and systems to
96 anticipate, absorb, adapt to and/or rapidly recover from the impact of
97 force majeure and fortuitous events.
98

99 7. **Electrification Programs.** This section consists of all the list of
100 electrification plans and programs within the DUs franchise to identify
101 areas considered as unviable, and to determine the status of
102 energization of the franchise down to the household level.
103

104 8. **Annexes.** This section consists of the following:
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106 i. **DDP Others** – This section consists of the information on the
107 Distribution Impact Study and Supply-Demand highlights. In
108 addition, forecasting models used in their Distribution
109 Development Planning must be detailed in this section.
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111 ii. **Retail Competition and Open Access** – This section consists
112 of the DUs' existing and potential contestable customers with
113 regard to their classifications: 1MW and above, 750 kW to less
114 than 1MW, and 501 kW to less than 750 kW.
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116 iii. **RE Resources** – This section consists of the details on the
117 potential and/or existing Renewable Energy Resource in the
118 franchise area of the DU.
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120 iv. **Net-Metering** – This section consists of the details of the
121 number of customers with net-metering and its corresponding
122 energy injected to the DU.
123

124 v. **Force Majeure / Fortuitous Events / Significant Incident** –
125 This section consists of the details of the previous year's force
126 majeure/fortuitous/significant incident events which affected
127 the DUs facilities.
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129 vi. **Renewable Portfolio Standards (RPS)** – This section consists
130 of the details of existing and future energy supply from eligible
131 renewable energy generators in compliance to RPS Rules.
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133 b) Section 4 of DOE DC2004-02-002 is hereby amended to read as:
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135 **SECTION 4. Adoption and Procedures in the Preparation of the DDP**

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137 **SECTION 4.1. Procedures in the Preparation of the DOE-EPIMB Form 2018-01-01**

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139 All DUs shall adopt the following documents and procedures:
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141 a) The DOE hereby adopts the DOE-EPIMB Form 2018-01-01
142 (Distribution Development Plan Form), attached as Annex A.

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- b) Instructions for the filling-up of DOE-EPIMB Form 2018-01-01, attached as Annex B.

The manual of instructions is composed of the following major sections:

- i. *Introduction and Legal Basis.* This section provides background, legal basis and references of this Circular.
 - ii. *Objective.* This section specifies the purpose for uniformity of data by all DU's in filling-up DOE-EPIMB Form 2018-01-01 (Distribution Development Plan Form).
 - iii. *Forms and Annexes.* These sections provide instruction on how to fill-up the DOE-EPIMB Form 2018-01-01 and the definition of terms used in the Form.
 - iv. *Summary Outputs.* This section provides information on the expected individual summary reports in tabular and graphical representations to be generated from the DOE-EPIMB Form 2018-01-01 such as the projected power supply and demand profile, among others.
- c) The crafting of the DDP must take into account all the applicable provisions prescribed in the Philippine Distribution Code (PDC).
 - d) DUs shall endeavor to coordinate with LGUs Planning and Development Councils, private developers, businesses and the like, covering its franchise area to determine and incorporate all the relevant economic plans, policies, and programs and forthcoming developments that will have an impact in their demand and energy forecasts.
 - e) Planned developments shall include, but not limited, to entry of large loads, electrification, technical upgrading and rehabilitation of distribution lines, availed under the Energy Regulations 1-94, infrastructure facilities servicing the needs of the public and other projected economic growth within the franchise area of the DU.
 - f) The DDP shall be supplemented by a narrative report containing brief evaluation and analysis on the implementation or accomplishments relative to the targets as stipulated in the DDP submitted in the previous year. The report shall include, but not limited to, the following:
 - i. Monthly demand and energy forecasts vis-à-vis actual demand and energy levels;
 - ii. CapEx Program targets vis-à-vis actual accomplishments or implementation;

- 193 iii. Drivers of projected demand and energy requirement in their
194 respective DDPs; and
195
196 iv. Analysis of current DDP demand and energy forecasts.
197
198 g) DUs shall submit an electronic copy of their respective DDPs and a
199 hard copy of the generated output of the form including submittal letter
200 and a Board Resolution or Secretary's Certificate Adopting the
201 submitted Plan.
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203 h) The DU shall submit the same DDP to the DOE and ERC, and shall
204 serve as reference for the latter's review and approval of the DUs'
205 PSA/s and CapEx program.
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207 i) DUs shall also submit electronic copy of its ERC-approved PSAs, Net-
208 Metering contracts, single line diagram of their distribution system,
209 and its franchise distribution system map which contains among others,
210 primary lines, power transformers, substations, embedded generators,
211 and connection points to the grid (for grid connected DUs), with proper
212 legend.
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214 **SECTION 4.2. Timeline of Submission of the DOE EPIMB Form 2018-01-01**

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216 Pursuant to the purpose of assisting the DUs in preparing and ensuring that DDPs
217 submission is in accordance with the timeline set forth in the EPIRA, the
218 following schedule shall be complied:
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- 220 a) Every 25th of January each year, entities engaged in the distribution of
221 electricity, other than ECs, shall submit DDP to the DOE. In the case
222 of ECs these shall be submitted to NEA, copy furnished DOE.
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224 b) Within 15 working day period upon receiving the DDPs of DUs, the
225 DOE and NEA, for ECs, shall notify reporting DU if submitted DDP is
226 in compliance with this Circular. For entities engaged in the
227 distribution of electricity, other than ECs, which need assistance, a
228 DDP consultation shall be conducted by the DOE.
229
230 c) Entities engaged in the distribution of electricity, other than ECs, shall
231 submit an electronic copy of the final annual ten-year DDP and a hard
232 copy of the generated output of the form, not later than the 15th of
233 March of each year to the DOE.
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235 d) In the case of ECs, NEA shall submit the National Electric
236 Cooperatives Distribution Development Plan (NECDDP) by 15th of
237 March of each year to DOE.
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243 **SECTION 2. Responsibilities.** In addition to their respective mandates and functions in the
244 EPIRA and its IRR, the Philippine Grid Code, the PDC, and other relevant laws and
245 issuances, the following are hereby enjoined to provide full support and cooperation to ensure
246 that the DDP is responsive to ensure and maintain the quality, reliability, security and
247 affordability of the supply of electric power:

248
249 **SECTION 2.1. Department of Energy (DOE).** Pursuant to its mandate of
250 supervising the restructuring of the electric industry under the EPIRA, the DOE,
251 through the Electric Power Industry Management Bureau (EPIMB) shall assist entities
252 engaged in the distribution of electricity, other than ECs, in the preparation of their
253 respective annual DDPs.

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255 EPIMB shall likewise evaluate the DDPs submitted and shall ensure the following,
256 but not limited to:

- 257
258 i. compliance to prescribed DDP form;
259 ii. consistency and completeness of historical data; and
260 iii. acceptability and accuracy of data.

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262 **SECTION 2.2. National Electrification Administration (NEA).** Pursuant to its
263 mandate under the EPIRA, the NEA shall assist in the preparation and ensure
264 submission of respective annual DDPs of all ECs. NEA shall likewise evaluate the
265 DDPs submitted and shall ensure the following, but not limited to:

- 266
267 i. compliance to prescribed DDP form;
268 ii. consistency and completeness of historical data; and
269 iii. acceptability and accuracy of data.

270
271 NEA shall submit a consolidated report of the respective DDPs of ECs to be
272 incorporated in the NECDDP every 15th of March every year as mandated by Section
273 4(p) Rule 7 of the EPIRA-IRR.

274
275 The NECDDP to be submitted by NEA to DOE shall be compliant to this Circular,
and shall contain the following:

- 276 i. comparative analysis of previous year's forecast and current year's actual
277 data;
278 ii. analysis on projected demand and energy requirement;
279 iii. analysis on projected infrastructure and CapEx requirement vis-à-vis
280 projected demand requirement;
281 iv. electrification program; and
282 v. projected demand and energy requirement vis-à-vis power supply
283 contracted quantities.
284

285 **SECTION 2.3. Distribution Utilities.** Pursuant to the responsibilities set forth by the
286 EPIRA and its IRR, and other relevant laws, all entities engaged in the distribution of
287 electric power shall have the following responsibilities:

- 288
- 289 i. submit an annual DDP with respect to provisions of Section 2 of this
290 Circular;
- 291
- 292 ii. assign a focal person to ensure that the DDP data submitted is consistent,
293 accurate and complete as prescribed in this Circular. The focal person shall
294 be responsible to respond to the queries of DOE and NEA on the DDP
295 submissions; and
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- 297 iii. as necessary, assist other DUs in the preparation of DDPs, which can be
298 undertaken individually or jointly with their respective regional or national
299 associations.
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301 **SECTION 2.4. Other Electric Power Industry Stakeholders.** All stakeholders,
302 including other government agencies, generation companies, and other entities shall
303 submit to the DU any information requested and deemed necessary for the preparation
304 of the DDP.

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306 **Section 3. Monitoring, Enforcement and Compliance.**

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308 The DOE, through the EPIMB, shall monitor the compliance of all DUs and shall likewise
309 recommend to the ERC any DU which fails to comply with the provisions of this Circular, in
310 substance and form, for appropriate sanctions, penalties, and fines, among others, pursuant to
311 Section 46 of the EPIRA.

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313 **Section 4. Regulatory Support**

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315 The ERC is enjoined to support the enforcement of this Circular and impose sanctions,
316 penalties, and fines when necessary, in accordance with existing laws and procedures.

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318 **Section 5. Repealing Clause**

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320 All other parts of Department Circular No. DC2004-02-002, which are not affected thereby
321 by the provisions of this Circular, shall continue to be in full force and effect.

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323 Any other rule or regulation inconsistent with the provisions of this Circular is hereby
324 repealed and modified accordingly.

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326 **Section 6. Separability Clause**

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328 If for any reason any section of this Circular is declared unconstitutional or invalid, such parts
329 not affected shall remain in full force and effect.

334 **Section 7. Effectivity**

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336 This Department Circular shall take effect immediately upon its publication in two (2)
337 newspapers of general publication and shall remain in effect until otherwise revoked.

338

339 Issued on _____ at Energy Center, Bonifacio Global City, Taguig
340 City, Metro Manila.

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ALFONSO G. CUSI
Secretary

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