



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

**DEPARTMENT CIRCULAR NO. DC2006-04-0003**

**AMENDING DEPARTMENT CIRCULAR NO. 2003-04-004 CREATING THE  
EXPANDED RURAL ELECTRIFICATION PROGRAM TEAM**

**WHEREAS**, the Electric Power Industry Reform Act of 2001 or "EPIRA," enacted in June 2001 declared as policy of the State the total electrification of the country and at the same allowed the participation of the private sector in missionary electrification;

**WHEREAS**, pursuant to the EPIRA, the Government has set the target of achieving 100% barangay electrification by 2008 and 90% household connection by 2017;

**WHEREAS**, the Letter of Sector Development Program jointly issued by the Department of Finance (DOF) and Department of Energy (DOE) on 07 March 2003 commits to the implementation of key reforms in the rural power sector;

**WHEREAS**, on 1 April 2003, the DOE issued Department Order No. 2003-04-004 creating the Expanded Rural Electrification Program Team ("ER Team") to manage the implementation of rural and missionary electrification program for the purpose of achieving the country's total electrification objectives;

**WHEREAS**, in view of the foregoing, the DOE: (i) completed the 2005-2009 Missionary Electrification Development Plan which outlined the specific policies, strategies and mechanisms for the implementation of the country's Expanded Rural Electrification (ER) Program through greater private sector participation (PSP); (ii) issued on 28 May 2004 Department Circular No. 2004-05-005 which streamlines and rationalizes the grant of subsidies in the electrification of missionary areas using Solar Photovoltaic (PV) Systems"; and (iii) issued on 18 June 2004 Department Circular No. 2004-06-006 and on 12 December 2005 Department Circular No. DC2005-12-011, prescribing the qualification criteria and participation guidelines for the Qualified Third Party (QTP) pursuant to Section 59 of the EPIRA and as detailed in Rule 14 of the Implementing Rules and Regulations of EPIRA with the objective of pursuing PSP Program in missionary areas;

**WHEREAS**, there is a necessity to refocus and strengthen the integrated and synchronized approach to rural and missionary electrification taking into account the institutional changes in the rural power sector as well as the recent policy issuances of the DOE to ensure and accelerate total electrification in a sustainable and holistic manner;

**NOW, THEREFORE**, the DOE hereby amends Department Order No. 2003-04-004 to reinforce the ER Team in the management of rural/missionary electrification program:

**Section 1. Composition of the ER Program Team.** The composition of the ER Program-Oversight Committee (ER Program-OC), the ER Program Technical Working Group (ER Program-TWG) and the ER Program Secretariat are hereby reconstituted as follows:

(A) Oversight Committee (ER Team-OC)

Oversight Chair:	Melinda L. Ocampo, Undersecretary – DOE
Alternate Chair:	Editha S. Bueno, Administrator – National Electrification Administration (NEA)

Members: Director, DOE – Electric Power Industry Management Bureau (EPIMB)

Director, DOE – Energy Policy and Planning Bureau (EPPB)

Director, DOE – Energy Utilization and Management Bureau (EUMB)

Department Manager – NPC-SPUG

To ensure consistency in policies and achieve effective collaboration, the following government agencies and their duly nominated representatives, may be requested to join the ER Team-OC as honorary members: (i) National Economic and Development Authority (NEDA); (ii) Department of Finance (DOF); (iii) Department of Budget and Management (DBM); and (iv) other stakeholders in rural/missionary electrification, including the Philippine National Oil Company (PNOC), PNOC-Energy Development Corporation (PNOC-EDC) and private power producers also involved in electrification.

(B) Inter-Agency Technical Working Group (ER Team-TWG)

A Technical Working Group (TWG) shall provide assistance to the Oversight Committee and assist in the development of sub-programs, review and assessment of existing programs and formulate strategies for the efficient implementation of the ER Program. Membership of the ER TWG shall be comprised of the following agencies and organizations:

Chair: Director, DOE-EPIMB

Co-Chair: Division Manager, Corporate Planning Department - NEA

Members: Division Chief, Rural Electrification Administration and Management Division (DOE EPIMB-REAMD)

Division Chief, EUMB-Renewable Energy Management Division (DOE-REMD)

Division Manager – Project Management, NPC-SPUG

Division Manager – Strategic Planning, NPC-SPUG

Representative, DOE-EPPB

Representative, Infrastructure Staff, NEDA

Representatives from other ER Program partners and stakeholders

The ER Program TWG shall form the following Committees to oversee the various functions of the ER-TWG. The members of the Committees shall be selected by the ER Program TWG on the basis of qualifications/guidelines approved by the ER Team OC.

1. **Committee on Policy**

- (a) Identify the objectives of the ER Program and develop guidelines and specific strategies for its implementation;
- (b) Conduct regular assessment of the implementation of all program components and activities, identify gaps and issues, and recommend

the continuation or cessation of certain programs as may be consistent with law and Government policies;

- (c) Review existing ER policies and guidelines and evaluate/assess their effectiveness in ensuring the ER targets are achieved as planned and in a timely manner;
- (d) Develop policies to address the issues/gaps affecting program implementation; and
- (e) Provide institutional support to the program implementation.

## **2. Committee on Program Implementation and Operations**

- (a) Ensure coordination among the ER Team;
- (b) Actively monitor the implementation of programs and projects vis-à-vis the milestones/targets set and, in this regard, prepare and submit a monthly monitoring report to the Oversight Committee highlighting the critical problems/issues that are prevent or hinder the timely implementation of programs and projects, with copies of such report provided also to the implementing agency/ies for the project/program and the Policy Committee;
- (c) Coordinate closely with the Policy Committee to ensure that the necessary adjustments in the ER Program guidelines, strategies, and targets are made given the problems/issues identified during actual monitoring;
- (d) Plan and set milestones for the implementation of the ER program components and activities based on the objectives and strategies developed by the policy committee;
- (e) Implement specific objectives and activities of the ER Program;
- (f) Assist in the promotion of the ER Program;
- (g) Prepare reports, presentation/briefing materials, IEC documents, and other documentation relevant to the implementation of the ER Program; and
- (h) Collect information relevant to the ER Program and maintain in a database.

## **3. Committee on Investment and Financing**

- (a) Identify budgetary requirements in implementing the ER Program and coordinate with DBM and other donor agencies;
- (b) Identify and harmonize existing financing schemes set by various players implementing the ER Program;
- (c) Identify investment opportunities and assist in the development of proposals; and
- (d) Identify financing and investment issues and propose policies/strategies to address such issues.

(C) Secretariat/Support Staff (ER Team-Secretariat)

The DOE-REAMD will serve as the ER Team-Secretariat. It shall be assisted by at the minimum of two (2) representatives from DOE-EPPB, DOE-EUMB, NEA and NPC-SPUG.

**Section 2. Responsibilities of the ER Program Team.** The scope of responsibilities of the ER Program Team is hereby expanded to include the review and endorsement of projects and activities in relation to the Qualified Third Party (QTP) program that require authorization from the Energy Regulatory Commission (ERC). In this regard, the Technical Working Group formed under DOE Department Circular No.DC2005-12-011 shall inform the ER Team OC of its recommendations and regularly report on the progress and development of the PSP in rural/missionary areas.

The ER Program Team shall also serve as the clearinghouse of all rural and missionary electrification initiatives in the country, including those supported by bilateral/multilateral agencies and donor entities, for the approval of the DOE Secretary.

The ER Program Team shall request assistance and information from other entities such as QTPs, financing institutions, non-government organizations, and private entities, whenever necessary, to provide insights and valuable inputs to the ER Program Team in the exercise of its mandate.

**Section 3. Creation of the Unified Electrification Subsidy Sub-Committee (UESC).** In compliance with DOE DC No. 2004-05-005, an UESC was created to operate under the supervision of the ER Program Team. The UESC shall identify any existing subsidy design in all rural and missionary electrification projects, including solar PV systems installations, and recommend to the ER Oversight Committee a rationalized system for allocation of project subsidies, if any. The UESC shall regularly update the ER Oversight Committee on the appropriate guidelines for the provision of subsidy to rural electrification projects, including those using solar PV systems, for the formulation of recommendations to and approval of the DOE Secretary.

**Section 4. Scope of Coverage.** The scope and coverage of the ER Program, as provided in Section 3 of DOE DC No. 2003-04-004, shall be expanded to include projects and activities initiated by or involving private sector participants, including QTPs.

**Section 5. Miscellaneous.** Heads of the concerned divisions/bureaus and agencies in Section 1 hereof shall inform the DOE in writing, within five (5) days from issuance of the Circular, of the names of their respective representatives. The Oversight Committee shall meet at least once every month commencing not later than the calendar month immediately following the effectivity of this Circular. The Oversight Committee shall set the schedule of meetings of the other committees established under Section 1 of this Circular.

**Section 6. No repeal or amendment.** Other provisions of DOE DC 2003-04-004 not otherwise inconsistent with this Circular shall remain valid and in effect until revoked, modified or further amended.

This amended Department Circular shall take effect after publication in a newspaper of general circulation.

Issued this 7th day of April 2006, Taguig City.

  
RAPHAEL P. M. LOTILLA  
Secretary