



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DE 2011-07-0007

ENSURING THE ADEQUACY AND READINESS OF THE NATIONAL TRANSMISSION SYSTEM TO ACCOMODATE NEW GENERATING CAPACITIES FROM EMERGING RENEWABLE ENERGY (RE) TECHNOLOGIES

WHEREAS, Section 37 (i) of Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that the Department of Energy (DOE) shall develop policies and procedures, and as appropriate, promote a system of energy development incentives to enable and encourage power industry participants to provide adequate capacity to meet demand including, among others, reserve requirements;

WHEREAS, the DOE is mandated to establish the necessary infrastructure and mechanism to carry out the Policy of the State of encouraging the development and utilization of renewable energy resources under Republic Act No. 9513 or the Renewable Energy Act of 2008 (RE Act);

WHEREAS, on 16 May 2011, the National Renewable Energy Board (NREB) filed a petition with the Energy Regulatory Commission (ERC) for Feed-in Tariffs (FITs) with preliminary installation targets;

WHEREAS, the certification of the DOE is needed on the final installation targets for RE resources in order for the ERC to proceed with the FITs petition;

WHEREAS, the DOE took the preparatory steps of evaluating the preliminary RE installation targets proposed by NREB to determine, among others, the final installation targets for run-of-river hydropower, biomass, wind, solar and ocean technologies for the next three (3) years and their reasonableness given the current status of the grid;

WHEREAS, in determining the final installation targets, the DOE deems it necessary to ensure the efficient and effective absorption to the grid of the new RE generating capacities recognized in the final installation targets certified by the DOE;

NOW, THEREFORE, the foregoing premises considered and pursuant to its mandate under EPIRA and the RE Act, the DOE declares as follows:

Section 1. Scope and Application. This Circular shall apply to all agencies and entities named herein and to all electric power industry participants.

Section 2. Responsibility of the National Grid Corporation of the Philippines (NGCP). Pursuant to its franchise under Republic Act No. 9511, and its responsibilities under EPIRA and the RE Act, other rules and issuances, the NGCP is hereby enjoined to extend their full cooperation to the DOE in the preparation and execution of a national transmission development plan (TDP) that is responsive to the promotion and development of the needed generation capacities nationwide to meet the future demand for electricity and to spur competition in the generation and supply sector. With guidance from the DOE, the NGCP shall ensure the absorptive capacity of the grid and provision of adequate ancillary services needed by the system including among others the attendant requirements (for ancillary services) for the RE generating capacities that will come online in the next three (3) years.

Section 3. Regulatory Support. As the agency which issues the decision granting the approval of the projects under the TDP as filed by the NGCP in an appropriate petition, the ERC is hereby requested to promptly address resolutions concerning the same to ensure the timely execution of the transmission line development projects.

Section 4. Effectivity. This Circular shall take effect immediately fifteen (15) days from its publication in a newspaper of general circulation.

This 5th day of July 2011 at Fort Bonifacio, Taguig City, Metro Manila.



JOSE RENE D. ALMENDRAS
Secretary

