



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

DEPARTMENT CIRCULAR NO. DC2022-05-0015

**SUPPLEMENTING DEPARTMENT CIRCULAR NO. DC2021-06-0013 ON THE  
FRAMEWORK GOVERNING THE TEST AND COMMISSIONING OF  
GENERATION FACILITIES FOR ENSURING READINESS TO DELIVER ENERGY  
TO THE GRID OR DISTRIBUTION NETWORK**

**WHEREAS**, Section 2 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), declared as the policy of the State to ensure the quality, reliability, security, and affordability of the supply of electric power;

**WHEREAS**, Section 37 of the EPIRA further mandates the Department of Energy (DOE) to supervise the restructuring of the electricity industry, and in addition thereto, a) *ensure the reliability, quality and security of supply of electric power*, b) *jointly with the electric power industry participants, establish the wholesale electricity spot market and formulate the detailed rules governing the operations thereof*, and c) *monitor private sector activities relative to energy projects in order to attain the goals of the restructuring, privatization, and modernization of the electric power sector as provided for under existing laws*;

**WHEREAS**, Section 6 of the EPIRA states that a Generation Company shall, before it operates, secure from the Energy Regulatory Commission (ERC) a Certificate of Compliance (COC);

**WHEREAS**, Rule 5 of the Implementing Rules and Regulations (IRR) of the EPIRA provides that No Person may engage in the Generation of Electricity as a new Generation Company unless such Person has received a COC from the ERC to operate facilities used in the Generation of Electricity, and further provides that a COC shall be secured from the ERC before commercial operation of a new Generation Company;

**WHEREAS**, on 03 June 2021, the DOE promulgated Department Circular No. DC2021-06-0013 providing the general framework which governs the test and commissioning of generation facilities for ensuring readiness to deliver energy to the grid or distribution network;

**WHEREAS**, Generation Companies, through various letters and fora, raised concerns on the gap between their full compliance to the Grid Compliance Test and the actual issuance by the ERC of the COC, hampering their full commercial operations and thus recommended to the DOE transitional policy that would allow them to continue injecting energy to the grid and be compensated, subject to the applicable provisions of the Wholesale Electricity Spot Market (WESM) Rules;

**WHEREAS**, while cognizant of the COC as a prerequisite to the commercial operation of a Generation Company, the DOE finds merit in the proposal such that allowing power plants to continue to inject energy to the grid after successful completion of test

and commissioning process would support the anticipated increase in demand particularly during the summer period;

**WHEREAS**, on 28 February 2022, a draft Department Circular supplementing DOE Department Circular No. DC2021-06-0013 to address the abovementioned concerns was posted in the DOE website to solicit comments from the stakeholders and other interested parties;

**NOW, THEREFORE**, pursuant to its authority and mandate under the EPIRA and its IRR, and after due consideration of the inputs and recommendations from various stakeholders, the DOE hereby issues, adopts and promulgates the following:

**Section 1.** Section 4.4 (Procedures After Test and Commissioning) of DC2021-06-0013 is hereby updated as follows:

***“4.4 Procedures After Test and Commissioning***

xxx xxx xxx

- 4.4.5 The ERC, within sixty (60) calendar days upon receipt of the final CATC and satisfaction of other applicable requirements, shall issue the COC to the Generation Company with respect to its Generation Facility. The ERC shall furnish a copy of the same to the MO and publish a list thereof in the ERC website on a monthly basis.

**Pending the issuance of the COC by the ERC, a Generation Company that has been issued with a final CATC may be allowed to continue to operate and be compensated as price taker in the market, unless the ERC issues an Order for the Generation Company's immediate disconnection from the grid.**

**For this purpose, the Generation Company's dispatch shall be in accordance with the following:**

**4.4.5.1. For Variable Renewable Energy, the Generation Company shall submit its projected output to the MO and comply with applicable forecast accuracy standards; and**

**4.4.5.2. For scheduled generating units, priority dispatch generating units, and energy storage systems, the Generation Company shall submit to the MO its day ahead nomination and shall comply with the applicable dispatch conformance standards.**

**Projected output and day-ahead nominations shall be submitted through the MO's Market Participant Interface, which, as necessary, may be revised by the Generation Company near real-time.**

**All Generation Companies with final CATC but with pending issuance of COC, who submitted day ahead projected output or nomination shall be**

monitored by the Enforcement and Compliance Office and be subject to imposition of financial penalties.

In cases when the energy injection of the concerned Generation Companies significantly deviates from their projected output or day-ahead nomination and poses threat to system security, the SO shall implement the WESM re-dispatch process, pursuant to the WESM Rules and Market Manuals.

All energy injected by Generation Companies with final CATC but with pending issuance of COC may be declared as bilateral quantities while spot quantities shall be paid at WESM prices.

XXX XXX XXX"

**Section 2. Separability Clause.** If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

**Section 3. Repealing Clause.** Any department circular or issuance, contrary to or inconsistent with this Circular is hereby repealed, modified or amended accordingly.

**Section 4. Effectivity.** This Circular shall take effect fifteen (15) days after publication in at least two (2) newspapers of general circulation. Let a copy of this Circular be furnished to the University of the Philippines Law Center - Office of National Administrative Register (UPLC-ONAR).

Issued this \_\_\_\_\_ 2022 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

  
ALFONSO G. CUSI  
Secretary MAY 20 2022

