



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

DEPARTMENT CIRCULAR NO. _____

ESTABLISHMENT OF CENTER FOR AFFILIATED RENEWABLE ENERGY AND ENERGY EFFICIENCY AND CONSERVATION (CARE) INSTITUTIONS AND AMENDING RULES AND REGULATIONS GOVERNING THE MANAGEMENT AND OPERATIONS OF THE AFFILIATED RENEWABLE ENERGY CENTERS (ARECS) IN THE PHILIPPINES

WHEREAS, Republic Act No. (RA) 7638 or the *Department of Energy Act of 1992* states that it is the policy of the State to ensure continuous, adequate, and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources, and through the judicious conservation, renewal, and efficient utilization of energy to keep pace with the country's growth and economic development;

WHEREAS, RA No. 9513, or the *Renewable Act of 2008* established the framework for the accelerated development and advancement of renewable energy resources, and the development of a strategic program to increase its utilization;

WHEREAS, RA No. 11285 or the *Energy Efficiency and Conservation Act* provides the establishment of a framework for introducing and institutionalizing fundamental policies on energy efficiency and conservation (EEC), including the promotion of efficient and judicious utilization of energy, increase in the utilization of energy efficiency (EE) and renewable energy (RE) technologies, and the delineation of responsibilities among various government agencies and private entities;

WHEREAS, RA No. 11393 or the *Advanced Energy and Green Building Technologies Curriculum Act* states that it is the policy of the State to give priority to education, science and technology, and other similar fields, as well as to support the country's educational institutions in their efforts at initiating and implementing curriculum development activities that will lead to socioeconomic progress and technological advancement;

WHEREAS, the Department Order (DO) Nos. DO2013-12-0019 or the *Strengthening the Management and Operations of the Affiliated Renewable Energy Centers (ARECS) in the Philippines*, DO2015-06-0005 or the *Prescribing the Duties and Functions of the Field Offices of the Department of Energy Pursuant to Section 5 (3 & 4) of Department Order No. DO2013-12-0019 Entitled "Strengthening the Management and Operations of the Affiliated Renewable Energy Centers (ARECS) in the Philippines,"* and DO2019-03-0007 or the *Amending Department Order No. DO2013-12-0019 Entitled Strengthening the Management and Operations of the Affiliated Renewable Energy Centers (ARECS)* provides policies and procedures governing the ARECS in the Philippines;

WHEREAS, the DOE recognizes the need to reinforce and integrate related laws, policies, and other statutory provisions for a comprehensive approach to energy efficiency, conservation, sufficiency, renewable energy, and sustainability in the country; and

WHEREAS, the DOE conducted public consultations attended by various stakeholders on _____ to present the draft Department Circular and to consolidate the inputs from stakeholders in Luzon, Visayas, and Mindanao.

NOW, THEREFORE, for and in consideration of the foregoing, the following are hereby established, expanded, and strengthened;

Section 1. Scope. This Department Circular (DC) shall be applied to higher education institutions (HEIs) and amending *DO2013-12-0019*, *DO2015-06-0005*, *DO2019-03-0007*, and previous policies related to ARECs in the Philippines.

Section 2. Reclassification of all ARECS. All existing and future accredited ARECs with the DOE shall be known as “Center for Affiliated Renewable Energy and Energy Efficiency and Conservation” (CARE) to reinforce the DOE’s mandate, plans, projects, and programs provided they have complied with the provisions of this DC.

Section 3. Composition and Responsibilities of the CARE Steering Committees. The CARE Steering Committee shall be composed of the following members:

1. CARE Steering Committee

Chairperson	:	Undersecretary or any official designated by the DOE Secretary
Vice-Chairperson For EEC	:	Director, <i>Energy Utilization Management Bureau</i> (EUMB) [for EE-related projects]
Vice-Chairperson For RE	:	Director, <i>Renewable Energy Management Bureau</i> (REMB) [for RE-related projects]
Members	:	Director, <i>Financial Services</i> (FS) Director, <i>Legal Services</i> (LS) Director, <i>Administrative Services</i> (AS)
Secretariat	:	Representatives from REMB and EUMB

Responsibilities of the CARE Steering Committee. The CARE Steering Committee shall perform the following functions:

- a. Oversees the implementation and monitoring activities of this DC;
- b. Provide general direction of HEIs, including but not limited to, the annual policy thrusts and research agenda of the DOE;
- c. Review and approve the CARE application of HEIs;
- d. Facilitate the deliberation for the allocation of the CARE Fund;
- e. Review and approve internal procedures, policies, and processes of the DOE related to this DC; and
- f. Provide updates to the DOE Secretary on matters involving CARE.

Section 4. Composition and Responsibilities of the CARE Technical Working Group (TWG). The CARE TWG shall be composed of the following members:

1. CARE TWG

Chairperson For EEC	:	Assistant Director, EUMB
Co-Chairperson For RE	:	Assistant Director, REMB
Members	:	Concerned Division Chiefs of EUMB and REMB
Secretariat	:	Office of the Director of EUMB and REMB

Responsibilities of the CARE TWG. The CARE TWG shall perform the following functions:

- a. Evaluate applicants for CARE registration;
- b. Endorse certificates of registration to the CARE Steering Committee;
- c. Evaluate submitted project proposals of recognized CARE;
- d. Endorse evaluated proposals to the CARE Steering Committee;
- e. Prepare yearly reports on CARE registration and projects to the Steering Committee;
- f. Perform orientation and other information dissemination-related activities regarding CARE; and
- g. Perform other tasks that may be assigned by the Steering Committee.

Applications for registration as a CARE institution and the evaluation of project proposals shall be conducted by the appropriate bureau concerned with the thematic area of the institution or the project proposal.

Section 5. Recognition of Higher Education Institutions (HEI). HEIs shall be recognized as CARE through a Certificate signed by the DOE Secretary or his designated Undersecretary.

The Certificate shall be valid perpetually until canceled or revoked by the DOE, subject to periodic evaluation of their submitted accomplishment reports, including prescribed liquidation report/s duly validated by the Commission on Audit (COA) for the released funds.

All existing and prospective applications shall undergo the application process subject to the submission of the following requirements:

1. Letter of Intent addressed to the Chairperson of the CARE Steering Committee from the duly authorized representative of the HEI;
2. Duly accomplished Application Form by the duly authorized representative of the HEI (*Annex A*);

3. Copy of Proof of recognition by the Commission on Higher Education (CHED) as an HEI;
4. Proof of CARE's office (*Annex B*);
 - a. At least 15 m² Gross Floor Area;
 - b. Complete list of features such as facilities, ventilation, furniture, and fixtures;
 - c. Sketch of the CARE office set-up with the necessary facilities, furniture, and fixtures; and
 - d. Room capacity to fit the CARE Director, Technical Head, Extension Head, Researchers or Principal Investigators, and other staff.
5. List of personnel complement of the HEI (*Annex C*);
6. List of on-going, completed, and/or published research related to conventional energy, renewable energy, energy efficiency and conservation, and energy resiliency, among others (*Annex D*);
7. For State Universities and Colleges (SUC), a copy of the Certificate of Program Compliance for energy-related courses; and
8. For private institutions universities and colleges, Government Recognition for energy-related courses.

Applications shall be filed with the CARE TWG for the thematic area of the applicants' ongoing, completed, and/or published research to confirm the completeness of the submitted documents. If incomplete, the applicant will be notified of any deficiencies in their application for revision or supplementation.

Once complete, the application will undergo technical evaluation by the CARE TWG.

All documents shall be submitted based on the submission guidelines of the DOE under *Annex E*. Application for accreditation shall follow the procedure stated in *Annex F*.

Section 6. Administration of Certificates of CAREs. DOE shall maintain and publish the registry of all issued Certificates of Recognized CAREs. The registry shall contain such pertinent information on the CARE and its projects to apprise and guide the general public. The CARE certificate shall be valid for three (3) years.

Section 7. Duties and Responsibilities of CARE. The CARE shall perform the following duties and responsibilities:

1. Commit manpower resources such as a CARE Director, Technical Head, Extension Head, and Researcher or Principal Investigator;
2. Designate a separate project leader and staff for each Memorandum of Agreement (MOA) or project with the DOE, aside from contract-based and full-time staff for project implementation;
3. Allocate adequate counterpart fund/s to fund day-to-day operations chargeable against annual budget of the institutions;

4. Authorize its personnel, including targeted students, to attend meetings, conferences, and workshops relative to the formulation, implementation, and monitoring of CARE's programs, activities and projects;
5. Attend and present research and studies for the Annual CARE Conference and other fora and consultations; and
6. Comply with all the requirements under this DC and all other policies governing CARE.

Section 8. Duties and Responsibilities of the DOE. The DOE shall perform the following duties and responsibilities:

1. Allocate funds to support the operations and execution of this DC;
2. Conduct the following activities:
 - a. Bi-annual Meeting of CARE institutions;
 - b. Annual CARE Conference; and
 - c. Publication of a Journal on EE and RE;
 - d. Publication of the registry of all issued Certificates of Recognized CAREs
3. Perform visitorial duties to monitor, evaluate, and inspect any program, project, or activity of CARE;
4. Provide necessary assistance to the CARE institutions; and
5. Discharge such other duties and responsibilities as may be provided under this DC and other issuances and/or as may be agreed upon with any party in accordance with existing laws, rules, and regulations.

Section 9. Journal on EE and RE. Pursuant to Section 12 of DO2013-12-0019, a Journal on EE and RE shall be established.

1. *Constitution of Advisory Board and Editorial Board.* To ensure the publication of the Journal, the following the Advisory Board and Editorial Board are hereby constituted:
 - a. *Advisory Board.* The Advisory Board shall be composed of the following representatives from DOE:
 - i. Director, EUMB;
 - ii. Director, REMB; and
 - iii. Division Chiefs of EUMB and REMB
 - b. *Editorial Board.* The Editorial Board shall be composed of representatives from CARE:
 - i. Editor-in-Chief;
 - ii. Associate Editor; and
 - iii. Section Editors
2. Members of the Editorial Board will be entitled to reasonable honorarium subject to existing laws, rules, and regulations of the Department of Budget and Management (DBM) and COA;

3. Subject to the approval of the Editorial Board, papers from contributors and researchers other than submitted by CARE institutions may be accepted;
4. All publication expenses, online or physical, and including ISBN or ISSN shall be the responsibility of the DOE;
5. Depending on the volume of the submission, the number of Associate Editor and Section Editor may be identified;
6. Advisory Board, upon recommendation of Editorial Board, shall formulate and implement internal rules and procedures, evaluation and publication standards and requirements, and such guidelines shall be subjected to the approval of the Chairperson; and
7. Best Paper and other distinction awards shall be identified by the Editorial Board to recognize quality contributions to academic research.

Section 10. Establishment of CARE Fund. CARE fund will be funded based on the following sources:

1. Allotment of fund for CARE from the General Appropriations Act (GAA) budget of the EUMB and REMB;
2. Fund allocation from the National Energy Efficiency and Conservation Program (NEECP);
3. Other research/training funds from GAA of the DOE; and
4. Financial assistance/grants from the Development Partners.

Subject to applicable budgetary rules and regulations, the funds to support the operationalization of this DC shall be sourced from the existing budget of DOE.

Section 11. Management of the CARE Fund. All disbursements and accounting for fund utilization shall be in accordance with pertinent COA rules and regulations and shall be required to be liquidated through the submission of all necessary documents (i.e. liquidation report duly signed by the accountant and head of agency, and the report of disbursement and other attachments such as copy of billing/statement of account, tear sheets, certificate of performance, etc.).

The DOE, *through its Budget Division*, shall pool the identified funds and maintain a separate Financial Statement Report based on the submitted tagging of DOE offices.

Section 12. CARE Project Cycle. The CARE Fund can be accessed through successful project proposals by recognized CARE. The cycle for project proposals is as follows:

1. *Determination of Thematic Area by the DOE or Development Partners.* Projects shall conform to the thematic area identified by the DOE or development partners with defined project scope and outputs. Subject to the requirements identified by DOE or development partners, CARE institutions may apply through Expression of Interest (EOI).

2. **Call for Proposals.** Subject to the identified thematic areas, a Call for Proposal will be published by the DOE for the **next fiscal year** based on the funding availability as identified during the 4th quarter of the current fiscal year.

Project proposals must be accompanied by the following:

- a. Letter of Intent;
 - b. CARE Institution Project Fund Application Form (*Annex G*);
 - c. Project Proposal Form (*Annex H*);
 - d. Work and Financial Plan (*Annex I*); and
 - e. Budgetary Requirements Form (*Annex J*);
3. **MOA.** Successful project proposals shall be executed through a MOA between/among the proponents, concerned DOE bureau for the project, and/or Development Partners. The finalized Project Proposal, Work and Financial Plan, and Budgetary Requirements shall form part of the MOA.

Specific requirements for the MOA may vary based on the Terms of Reference on the activities to be implemented for the project. Other terms and conditions as may be mutually agreed during the implementation shall be included in the MOA.

Obligation and utilization of the funds must be *within the fiscal year*. Project extension, including no-cost extension, will not be allowed unless due to unforeseen circumstances and will be subjected to the written approval of the Chairperson.

Any unutilized fund/s allocated within the project may be disbursed to support expenses necessary in the implementation of any related programs, projects, and activities upon written approval of the Chairperson.

All activities to be undertaken in the fulfillment of the MOA shall be compliant with pertinent laws and government regulations such as but not limited to RA No. 9184 – Government Procurement Reform Act, and Commission on Audit Circular No. 94-013 (Rules and Regulations in the Grant, Utilization, and Liquidation of Funds transferred to Implementing Agencies).

Section 13. Creation of Special Bids and Awards Committee. The CARE – Special Bids and Awards Committee (SBAC) is hereby created to spearhead and administer the conduct of transfer of fund to identified CARE institution and other related procurement activities. Within thirty (30) days of the effectivity of this DC, a Department Order shall be issued to identified composition and responsibilities of the CARE-SBAC.

Section 14. Delisting and Settlement of Disputes. The CARE shall be subjected to the delisting for violation of the following:

1. Failure to comply with the responsibilities set forth under Section 7 of this DC;
2. Failure to provide accurate information or the provision of false or misleading information as required by this DC;
3. Submission of requirements containing false information or falsified documents;
4. Failure to comply with MOA without valid cause; and

5. Failure to liquidate within the prescribe period.

A notification will be sent by the DOE and the CARE shall submit its written response with documentary evidence within five (5) calendar days. After due process, the revocation of the Certification may likewise be accompanied by the blacklisting.

In addition, all disputes, controversies, or claims arising from or relating to this shall be settled amicably by mutual consultation between or among the parties as far as practicable. All disputes, controversies, or claims which cannot be settled amicably shall be settled through negotiation and/or mediation and shall be decided by arbitration in accordance with RA No. 9285 or the "Alternative Dispute Resolution Law of 2004". This is, however, without prejudice to the provision of Rule 26 of R.A. No. 10055 on the resolution of disputes, particularly on matters pertaining to ownership.

Section 15. Visitorial Powers. The DOE shall be eligible to conduct visits to CARE for verification, monitoring, and evaluation of their project.

Further to this, the DOE shall issue Implementing Guidelines (IG) for the verification, monitoring, and evaluation of CARE projects *Provided That*, an IG may only be issued after public consultation and shall take effect after fifteen (15) days from its publication.

Section 16. Transitory Provision. Upon effectivity of this DC, existing AREC will be automatically registered as CARE; *Provided that*, all items in Section 5 of this DC will be submitted within one (1) year after the effectivity of this DC; *Provided further that*, AREC shall have existing/active MOA with the DOE. Failure to comply with the herein provision will result in non-recognition of the DOE to the institution.

Section 17. Amendment Clause. The DOE may revise, supplement, and issue related guidelines, circulars, and other subsidiary issuance as it deems necessary for the effective implementation of the various provisions of this DC.

Section 18. Repealing Clause. The provisions under *DO2013-12-0019*, *DO2015-06-0005*, *DO2019-03-0007*, and other circulars, orders, issuances, rules, and regulations, which are inconsistent with the provision of this DC are hereby amended, modified, or superseded accordingly.

Section 19. Separability Clause. If for any reason, any section or provision of this DC is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 20. Effectivity. This DC shall take effect immediately following its publication in at least two (2) newspaper of general circulation. A copy of this DC shall be filed with the University of the Philippines – Office of the National Administrative Register.

Issued at Energy Center, Bonifacio Global City, Taguig City.

RAPHAEL P. M. LOTILLA
Secretary