

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

DEPARTMENT CIRCULAR NO. DC2021-10 - 0032

ADOPTING THE RENEWABLE ENERGY MARKET (REM) MANUALS

WHEREAS, Republic Act (RA) No. 7638, otherwise known as the "Department of Energy (DOE) Act of 1992," declares as a policy of the State to, among others, ensure the continuous, adequate and economic supply of energy through the integrated and intensive exploration, production, management and development of the country's indigenous energy resources;

WHEREAS, RA No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001," declares as a policy of the State to, among others, promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;

WHEREAS, one of the functions of the DOE under RA No. 9136 is to supervise and control all government activities relative to energy projects to attain the goals embodied in Section 2 of RA No. 7638;

WHEREAS, RA No. 9513, otherwise known as the "Renewable Energy Act of 2008" or the "RE Act," declares as a policy of the State to increase the utilization of renewable energy (RE) by institutionalizing the development of national and local capabilities in the use of RE systems, and promoting their efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, Section 6, Chapter III of the RE Act enjoins all stakeholders in the electric power industry to contribute to the growth of the RE industry in the country and mandates the National Renewable Energy Board to set a minimum percentage of generation from eligible RE resources and determine to which sector the Renewable Portfolio Standards (RPS) shall be imposed on a per grid basis, within one (1) year from effectivity of the Act;

WHEREAS, Section 4, Rule 2, Part II of the Implementing Rules and Regulations of the RE Act (RE Act IRR) provides that the RPS, as a policy mechanism, shall oblige electric power industry participants such as Distribution Utilities for their Captive Customers, Retail Electricity Suppliers for their Contestable Customers, and Generation Companies, in so far as their directly-connected customers are concerned, to source or produce a fraction of their electricity from eligible RE resources;

WHEREAS, Department Circular (DC) Nos. DC2017-12-0015 and DC2018-08-0024 were issued by the DOE, which prescribe the rules and guidelines governing the establishment of the RPS for On-Grid Areas (RPS On-Grid Rules) and RPS Rules Off-Grid Areas (RPS Off-Grid Rules), respectively;

WHEREAS, Section 8 of the RE Act directs the DOE to establish the Renewable Energy Market (REM) to facilitate the compliance of Mandated Participants with the RPS. Further, the Philippine Electricity Market Corporation (PEMC) is directed to, under the supervision of the DOE, establish a Renewable Energy Registrar (RER) within one (1) year from the effectivity of the RE Act and the RER shall issue, keep, and verify RE Certificates (REC) corresponding to energy generated from eligible RE facilities, which will be used for compliance with the RPS Rules for both on-grid and off-grid areas;

WHEREAS, on 04 December 2019, the DOE issued DC No. DC2019-12-0016 promulgating the REM Rules;

WHEREAS, Clause 7.1.1.1(a) of the REM Rules provides that the REM Governance Committee (RGC), a committee within the PEMC's governing board (PEM Board), shall oversee the REM Rules and Manual Change process in consultation with the PEM Board;

WHEREAS, Clause 1.3.4.1(e) of the REM Rules provides that the RGC shall approve or disapprove Manual Change Proposals and refer approved REM Manual changes to the PEM Board for endorsement to the DOE for final approval and promulgation in accordance with the process prescribed in Chapter 7 of the REM Rules;

WHEREAS, to operationalize the relevant provisions in the REM Rules for the implementation of the REM, PEMC submitted to the RGC the proposed REM Manuals on the following:

- i. Registration;
- ii. Allocation of RE Certificates for FIT Eligible RE Generation;
- iii. Investigation Procedures and Penalty; and
- iv. Dispute Resolution.

WHEREAS, after due deliberations, the RGC approved the foregoing proposed REM Manuals, incorporating the Committee's revisions, and endorsement of the said REM Manuals to the PEM Board through the following resolutions:

REM Manual Title	RGC Resolution No.	Date of Resolution
i. Registration	RGC-RESO-2020-02	25 March 2020
ii. Allocation of RE Certificates for FIT- Eligible RE Generation	RGC-RESO-2020-03	25 March 2020
iii. Investigation Procedures and Penalty	RGC-RESO-2020-04	11 June 2020
iv. Dispute Resolution	RGC-RESO-2020-05	14 August 2020

WHEREAS, upon endorsement by the RGC, the PEM Board deliberated, adopted, and approved the proposed REM Manuals and their endorsement to the DOE through the following PEM Board Resolutions:

REM Manual Title	PEMB Resolution No.	Date of Resolution	Date of Endorsement to the DOE
i. Registration	2020-23-16	29 April 2020	09 June 2020
ii. Allocation of RE Certificates for FIT- Eligible RE Generation	2020-23-17	29 April 2020	09 June 2020
iii. Investigation Procedures and Penalty	2020-25-08	24 June 2020	07 July 2020
iv. Dispute Resolution	2020-27-03	26 August 2020	22 September 2020

WHEREAS, the DOE, in coordination with PEMC, conducted a public consultation on 09 December 2020 to solicit comments on the following proposed REM Manuals: (1) Registration, and (2) Allocation of RE Certificates for FIT-Eligible RE Generation;

WHEREAS, the DOE, in coordination with PEMC, conducted another public consultation on 11 December 2020 to solicit comments on the following proposed REM Manuals: (1) Investigation Procedures and Penalty, and (2) Dispute Resolution;

WHEREAS, the DOE consolidated all the comments received during the public consultations and provided the same to PEMC, including comments of the DOE, for PEMC to address and respond to;

WHEREAS, on 17 and 26 March 2021 and 8 July 2021, DOE and PEMC discussed the latter's responses to the comments on the proposed REM Manuals which were provided immediately following the above-mentioned public consultations;

WHEREAS, following the discussions in the aforesaid meetings held between the DOE and PEMC, the proposed REM Manuals were revised and transmitted by PEMC to the DOE on 15 July 2021, for the latter's final review, approval, and promulgation;

NOW, THEREFORE, the foregoing premises considered, the DOE issues and promulgates the following:

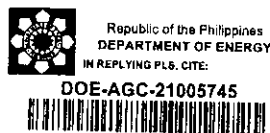
Section 1. Approval and Adoption of the REM Manuals. The manuals listed below and attached as Annexes to this Circular are hereby approved and adopted:

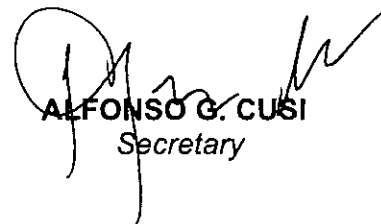
- a) Annex "A" – REM Registration Manual;
- b) Annex "B" – REM Allocation of RE Certificates for FIT-Eligible RE Generation;
- c) Annex "C" – REM Investigation Procedures and Penalty Manual; and
- d) Annex "D" – REM Dispute Resolution.

Section 2. Separability Clause. If any provision of this Circular or the attached REM Manuals is declared invalid or unconstitutional by any court of competent jurisdiction, such parts or provisions not affected by such declaration shall remain valid and in full force.

Section 3. Repealing Clause. All previous issuances, rules and regulations inconsistent with this Circular are hereby repealed, amended or modified accordingly.

Section 4. Effectivity. This Circular shall take effect fifteen (15) days after publication in at least two (2) newspapers of general circulation. Copies of this Circular shall be filed with the University of the Philippines Law Center-Office of the National Administrative Register.




ALFONSO G. CUSI
Secretary

Issued on OCT 04 2021, at Energy Center, Rizal Drive,
Bonifacio Global City, Taguig City.