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DEPARTMENT CIRCULAR NO. DC2019-__ - _____

**PROVIDING GUIDELINES ON THE PLANNED OUTAGE SCHEDULES OF POWER PLANTS
AND TRANSMISSION FACILITIES AND PUBLICATION OF THE GRID OPERATING AND
MAINTENANCE PROGRAM**

WHEREAS, Republic Act No. 9136 entitled, "Electric Power Industry Reform Act of 2001", otherwise known as the EPIRA, declares as a policy of the State, among others, to ensure the quality, reliability, security, and affordability of supply of electric power, and ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine product in the global market;

WHEREAS, pursuant to section 37 of the EPIRA, the Department of Energy (DOE) is mandated to supervise the restructuring of the electric power industry as well as among other things, to:

- (a) Formulate policies for the planning and implementation of a comprehensive program for the efficient supply and economical use of energy consistent with the approved national economic plan and with the policies of environmental protection and conservation and maintenance of ecological balance, and provide a mechanism for the integration, rationalization, and coordination of the various energy programs of the Government;
- (b) Ensure the reliability, quality, and security of supply of electric power;
- (c) Develop policies and procedures and, as appropriate, promote a system of energy development incentives to enable and encourage electric power industry participants to provide adequate capacity to meet demand including, among others, reserve requirements;
- (d) Formulate and implement programs, including a system of providing incentives and penalties, for the judicious and efficient use of energy in all energy-consuming sectors of the economy;
- (e) Formulate such rules and regulations as may be necessary to implement the objectives of EPIRA; and
- (f) Exercise such other powers as may be necessary or incidental to attain the objectives of EPIRA.

WHEREAS, pursuant to Sections 9 and 21 of the EPIRA, the National Transmission Corporation (TransCo) or its Buyer or Concessionaire is mandated to, among others, ensure and maintain the reliability, adequacy, security, stability, and integrity of the Grid in accordance with the performance standards for the operation and maintenance of the grid, as forth in the Grid Code and the Distribution Code;

WHEREAS, Republic Act No. 9511 entitled, "An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-Bone System of Interconnected Transmission Lines, Substations, and Related Facilities, and for Other Purposes", granted the National Grid Corporation of the Philippines (NGCP) a franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through high voltage back-bone system of interconnected transmission lines, substations and related facilities, system operations, and other activities that are necessary to support the safe and reliable operation of the transmission system;

WHEREAS, Chapter 6.4 of the Philippine Grid Code (PGC) mandated the System Operator, in consultation with the Transmission Network Provider, to prepare the Operating Programs that specify the availability and aggregate capability of the Generating Plants to meet the forecasted demand;

WHEREAS, Chapter 6.5 of the PGC mandated the Transmission Network Provider, in consultation with the System Operator, to prepare the Grid Maintenance Programs based on the forecasted demand, Generating Plants' provisional Maintenance Program, and requests for maintenance schedule;

WHEREAS, Chapter 6.5 of the PGC mandated the Generation Companies to provide the Transmission Network Provider by week 27 of the current year a provisional Maintenance Program for the three (3) succeeding years;

WHEREAS, the National Grid Corporation of the Philippines annually prepares the Three-Year Grid Operations and Maintenance Program which contains the proposed three-year planned/maintenance outages provided by the generating plants, and updates the same on a quarterly basis, to account for the actual outage that occurred during the identified period;

WHEREAS, the Section 2 of the Department Circular No. DC2010-03-0003 mandates all Generation Companies shall ensure the availability of its generation facilities at all times subject only to technical constraints duly communicated to the SO in accordance with existing rules and procedures.

WHEREAS, the Section 2.6 of the Department Circular No. DC2010-03-0003 mandates all Generation Companies to notify and coordinate with the System Operator of any planned activity such as shutdown of its equipment in accordance with the PGC;

WHEREAS, the Section 3 of the Department Circular No. DC2010-03-0003 mandates the TransCo or its Buyer or Concessionaire to submit to the DOE, for consideration, the Grid Operating and Maintenance Program including any updates and monitor compliance of Generation Companies, and report to the DOE all power interruption incidents and threats to system security and reliability;

WHEREAS, a series of Red and Yellow Alert notices of the System Operator in the Luzon grid starting the summer period of 2019 wherein the grid had low reserve level due to substantial capacity on forced outages and deratings that lead to occurrence of rotating power interruption in Metro Manila and some areas in Luzon;

WHEREAS, the committed power generation projects and their associated transmission projects which are expected to augment the thin reserves in Luzon and Visayas have experienced delays in meeting the target commercial operations;

NOW, THEREFORE, for and in consideration of the foregoing premises, principles and mandates of the EPIRA, the DOE hereby issue, adopt and promulgate this Circular.

SECTION 1. Declaration of Policy and Objectives. In view of protecting public interest, the DOE hereby directs the adoption of the guidelines for the planned outage schedules of power plants and transmission facilities, and the publication of the Grid Operating and Maintenance Program (GOMP) to achieve the following:

1.1 Ensure energy security of the country at all times;

- 106 1.2 Enhance transparency, fairness, and accountability in the operation of generation and
107 transmission systems and distribution facilities in the country;
108 1.3 Promote open competition among electric power industry participants; and
109 1.4 Attainment of the objectives of EPIRA to ensure the quality, reliability, security, and
110 affordability of the supply of electric power in the country.
111

112 **SECTION 2. Scope of Coverage.** This Circular shall apply to the following electric power industry
113 participants operating in the Luzon, Visayas, and Mindanao main grids:
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- 115 2.1. All Generating Companies owning and/or operating Generating Facilities that are grid-
116 connected or embedded.;
117 2.2. National Grid Corporation of the Philippines (NGCP) being the Transmission Network
118 Provider (TNP) and System Operator (SO); and
119 2.3. Market Operator (MO).
120

121 **SECTION 3. Guidelines on the Planned Outage Schedules of Power Plants and**
122 **Transmission Facilities.**
123

- 124 3.1 All Generating Companies shall submit three-year planned outage schedules for their
125 power plants to the NGCP for the Grid Operating Program (GOP).
126
127 3.2 NGCP shall device a mechanism to come up with an optimal generation and
128 transmission planned outage schedule which shall be the basis of the Grid Operating
129 and Maintenance Program (GOMP).
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131 3.3 NGCP shall submit to the DOE the GOMP every third quarter of the year, for review
132 and approval.
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134 3.4 The DOE, in its review of the resulting reserve profile, shall direct the necessary
135 adjustments in the generation and transmission planned outage schedules. NGCP and
136 the concerned generating companies shall be informed accordingly of any changes in
137 the submitted GOMP.
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139 3.5 The first year of the GOMP schedule shall be considered binding and can be changed
140 during its implementation, subject to DOE approval.
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142 3.6 The second- and third-year schedules shall be considered indicative and reference for
143 medium-term power supply and demand outlook.
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145 **SECTION 4. Publication of Grid Operation Maintenance Program (GOMP).** The NGCP is
146 hereby mandated to publish the approved annual GOMP at least one (1) month before the start of
147 the year, and immediately any changes thereto. The same shall be posted in the websites of DOE,
148 ERC, NGCP, and MO.
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150 **SECTION 5. Regulatory Support.** The ERC shall formulate a mechanism for incentive and penalty
151 on the adherence of the NGCP and generation companies to the GOMP.
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153 **SECTION 6. Repealing Clause.** Nothing in this Circular shall be construed as to amend,
154 supersede, or repeal any of the mechanism or institutions already existing or responsibilities
155 already allocated and provided for under any existing laws, rules, or contracts.
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SECTION 7. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 8. Effectivity. This Department Circular shall take effect immediately after its publication in two (2) newspapers of general circulation, and copies of this Circular shall be filed with the University of the Philippines Law Center-Office of the National Administrative Register.

Signed this _____ day of _____ 2019 at DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary