



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC 2015-II - 0017

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CREATING A TECHNICAL ADVISORY COMMITTEE AND MODELLING WORKING GROUP TO ENABLE VARIABLE RENEWABLE ENERGY INTEGRATION AND INSTALLATION TARGETS

WHEREAS, Section 2 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) declares among others as a policy of the State to assure socially and environmentally compatible energy sources and infrastructure and promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;

WHEREAS, Section 2 of the Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Act) declares among others the following policy of the State:

- (a) Accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy; and
- (b) Establish the necessary infrastructure and mechanism to carry out the mandates specified in this Act and other existing laws;

WHEREAS, the EPIRA mandates the Department of Energy (DOE) to encourage private sector investments in the electric power sector and promote the development of indigenous and renewable energy sources; and

WHEREAS, in determining renewable energy (RE) installation targets, the DOE deems it necessary to ensure the efficient and effective absorption to the grid of RE generating capacities, evaluate the impacts of increasingly ambitious RE targets, and assess actions to cost-effectively improve the integration of variable renewable energy (VRE) sources into the grid.

NOW THEREFORE, for and in consideration of the foregoing premises, the DOE hereby adopts the following:

Section 1. General Principles. Consistent with its mandate under the EPIRA and RE Act, the DOE recognizes that the creation of the Technical Advisory Committee (TAC) and Modelling Working Group (MWG) will enable variable renewable energy (VRE) integration and installation targets. This goal shall be achieved through the conduct of a grid integration study which will identify the following among others:

- (a) Potential grid reliability concerns with the scaling of VRE;
- (b) Options to improve system flexibility and power system balance; and
- (c) New installation and grid integration targets

Section 2. Scope and Application. This Circular shall apply to all agencies and entities named herein and to all electric power industry participants. The focus of the grid integration study will be the Luzon and Visayas interconnections where most VRE capacities are installed.

Section 3. Composition of the TAC. The Technical Advisory Committee (TAC) which shall be divided into two: Core TAC and Ad Hoc TAC, shall provide guidance on the scenarios, methods, assumptions, and interpretation of the results of the grid integration study. The Core TAC shall be the regular attendees of all the meetings and activities related to the conduct of the grid integration study while the Ad Hoc TAC shall only be invited as deemed necessary.

The Core TAC shall be comprised of two (2) representatives - one (1) high level official identified below and one (1) technical staff, as follows:

Chairman: Department of Energy - Undersecretary
 Electric Power Industry Management Bureau - Director
 Renewable Energy Management Bureau - Director
 Energy Planning and Policy Bureau - Director

- Members:
- (i) National Grid Corporation of the Philippines (NGCP) - Luzon and Visayas Systems Operations Head
 - (ii) Philippine Electricity Market Corporation (PEMC) - Vice President for Corporate Planning and Operations
 - (iii) Energy Regulatory Commission (ERC) - Executive Director
 - (iv) Grid Management Committee (GMC) - Chairman/Executive Director
 - (v) Distribution Management Committee (DMC) - Chairman/Executive Director
 - (vi) National Transmission Corporation (TRANSCO) - Vice President
 - (vii) National Renewable Energy Board (NREB) - Chairman
 - (viii) National Electrification Administration (NEA) - Deputy Administrator

- (ix) Philippine National Oil Company Renewables Corporation (PNOC-RC) - Vice President

The Ad Hoc TAC shall be comprised of one (1) representative from each of the following agencies;

- (i) Philippine Independent Power Producer Association (PIPPA)
- (ii) Philippine Electric Plant Owners Association (PEPOA)
- (iii) Manila Electric Company (MERALCO)
- (iv) Retail Electricity Suppliers Association (RESA)
- (v) RE Developers and Associations
 - (v.i) Philippine Solar Power Alliance (PSPA)
 - (v.ii) Wind Energy Developers Association of the Philippines (WEDAP)
 - (v.iii) Biomass Renewable Energy Alliance (BREA)
 - (v.iv) Philippine Association of Small Scale Hydropower (PASSHYDRO) Developers and Stakeholders
- (vi) Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA)
- (vii) Affiliated Renewable Energy Centers (ARECs)
- (viii) National Economic and Development Authority (NEDA)
- (ix) University of the Philippines National Engineering Center (UP-NEC)
- (x) International Grid Experts
- (xi) Other agencies which shall be identified as necessary

Section 4. Functions of the TAC. The following are the defined functions of the TAC:

- (a) Advise on the development, review, and validation of a grid integration study;
- (b) Assist the sponsors in developing study parameters – objectives, scenarios and sensitivities;
- (c) Review the MWG's methods, data sources, assumptions, and other key issues, and provides suggestions as deemed appropriate;
- (d) Assist in the interpretation of modeling results;

- (e) Link model outcomes with policy and regulatory processes;
- (f) Endorse the technical rigor of the study; and
- (g) Participate in future workshops and development of recommendations pertaining to grid integration of VRE.

Section 5. Composition of the MWG. The Modeling Working Group (MWG) to be led by the DOE shall be comprised of two official representatives - one (1) permanent and one (1) alternate, from each of the following agencies:

- (a) Department of Energy (DOE)
 - (i) Electric Power Industry Management Bureau (EPIMB)
 - (ii) Renewable Energy Management Bureau (REMB)
- (b) National Grid Corporation of the Philippines (NGCP)
- (c) Philippine Electricity Market Corporation (PEMC)
- (d) Grid Management Committee (GMC)

Section 6. Functions of the MWG. The following are the defined functions of the MWG:

- (a) Develop and conduct a grid integration study;
- (b) Assemble and validate data from a variety of sources;
- (c) Construct system model;
- (d) Simulate operations under a variety of modeling assumptions;
- (e) Analyze and communicate results through high level summary and detailed report;
- (f) Analyze and verify simulation results;
- (g) Compile technical documents to disseminate findings and methodologies; and
- (h) Perform additional analyses as deemed necessary.

Section 7. Responsibilities of Energy Stakeholders. All stakeholders, including government agencies, generation companies, distribution utilities, and independent power producers, shall submit to DOE any information requested and deemed necessary for the conduct and development of the grid integration study. The DOE shall ensure the confidentiality of





proprietary and commercially sensitive information, and the data provided shall solely be used for policy and planning purposes.

Section 8. 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 9. Effectivity. This Department Circular shall take effect immediately upon the publication in two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

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


ZENAIDA Y. MONSADA
Secretary 

NOV 12 2015

