



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

**ADVISORY**

**TO** : All Local Government Units (LGUs) Beneficiaries of ER 1-94 Funds, Generation Companies and/or Energy Resource Developers and Distribution Utilities

**FROM** : Energy Secretary

**SUBJECT** : OPERATION OF SECTION 10 (SUNSET CLAUSE) OF DEPARTMENT CIRCULAR NO. DC2020-04-0008

**DATE** : **MAY 08 2023**

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On 16 April 2020, the Department of Energy (DOE) issued Department Circular (DC) No. DC2020-04-0008, titled "*Rationalizing the Utilization of Energy Regulations No. 1-94 (ER 1-94) Funds by Host Local Government Units (LGUs) in Response to Coronavirus Disease 2019 (COVID-19) Public Health Emergency*", which allowed the temporary use of all available ER 1-94 Funds for projects intended to contain, mitigate and eliminate the spread of COVID-19, particularly in the communities hosting energy projects, until the lifting of the State of Public Health Emergency and/or extension period provided by the DOE.

The declared state of calamity due to COVID-19 issued by the Office of the President was extended only until 31 December 2022, pursuant to Proclamation No. 57. There was no official extension issued thereafter. Nevertheless, recent developments show that the country is back to normal with the successful implementation of sustainable programs, required interventions and strict health protocols to address the COVID-19 pandemic. Thus, the Electrification Fund (EF) of the ER 1-94 Funds can now be reverted back to its original purpose, that is, the total electrification of the remaining unserved and underserved areas of the country.

Section 10 (Sunset Clause) of DC No. DC2020-04-0008 provides that:

*"This Circular having been issued under a declared State of Emergency, shall be in force and in effect only for the duration of the State of Public Health Emergency, as provided in Proclamation No. 922, and may be extended subject to the DOE's determination of the aftermath of this COVID-19 crisis.*

*After the lifting of the State of Public Health Emergency and/or extension period provided by the DOE, the utilization and application of ER 1-94 Funds shall be that as provided under DC2018-08-0021.*

*However, pending and on-going projects and programs after the lifting of the State of Public Health Emergency shall be implemented and will be applied for residual measures, unless it is patently unnecessary to be determined by the DOE."*

In view of the foregoing, this Advisory now concludes the rationalization of ER 1-94 Funds for COVID-19 Projects pursuant to DC No. DC2020-04-0008.

Accordingly, all Letter of Intents (LOIs) submitted to and received by the DOE prior to the effectivity of this Advisory shall be subject to the following:

**1. ALL LOIs ACKNOWLEDGED AND ENDORSED TO THE GENERATION COMPANIES (GENCOS)**

**1.1. WITH SUBMITTED ANNUAL WORK PLAN (AWP) AS OF 15 MARCH 2023**

1.1.1. Host LGUs/ Region's Beneficiaries, with previously received ER 1-94 Funds, to submit to GenCos, copy furnished the DOE, copies of project implementation and liquidation report duly received by the local Commission on Audit (COA) within thirty (30) days from the effectivity of this Advisory.

In the case of Host Region's Beneficiaries, they shall submit the pertinent documents through their concerned Regional Development Council.

1.1.2. Upon compliance with item 1.1.1, the request for funding shall be processed by the DOE and/or GenCos based on the AWP submitted. Otherwise, the ER 1-94 Funds shall automatically accrue and be utilized in accordance with DC No. DC2018-08-0021.

1.1.3. Upon release of the ER 1-94 Funds, the Host LGUs/ Region's Beneficiaries shall implement and complete the COVID-19 related projects within six (6) months from the effectivity of this Advisory.

1.1.4. The Host LGUs/ Region's Beneficiaries shall ensure the liquidation of ER 1-94 Funds and submission of project implementation and liquidation report on the funds availed of duly received by the local COA.

**1.2. WITHOUT SUBMITTED AWP AS OF 15 MARCH 2023**

The DOE and/or GenCos shall no longer release the EF component of the ER 1-94 Funds to the Host LGUs/ Region's Beneficiaries.

**2. ALL LOIs NOT YET ACKNOWLEDGED AND ENDORSED TO THE GENCOS**

Within fifteen (15) days upon the effectivity of this Advisory, the DOE shall issue the endorsement to the concerned GenCos, copy furnished the concerned Host LGUs/ Region's Beneficiaries.

Subsequently, the Host LGUs/ Region's Beneficiaries shall comply with Sections 1.1 and 1.2 of this Advisory.

Within thirty (30) days upon completion or after the allowed six-month project completion period, whichever comes first, any excess or unutilized portion of the ER 1-94 Funds rationalized for COVID-19 related projects shall be reverted back to the corresponding accounts administered by the DOE or by the GenCos pursuant to DC No. DC2018-08-0021, whichever is applicable. Therefore, all LOIs submitted to and received by the DOE after the effectivity of this Advisory shall no longer be endorsed to the GenCos.

Please be guided accordingly.

  
**RAPHAEL P.M. LOTILLA**  
Secretary

