

DEPARTMENT CIRCULAR NO. DC 2017-____ - ____

**ADOPTION OF RESILIENCY PLANNING AND PROGRAM IN THE
ENERGY INDUSTRY TO MITIGATE ADVERSE EFFECTS BROUGHT
ABOUT BY DISASTERS**

WHEREAS, Republic Act No. 7638 or the Department of Energy Act of 1992 declares the policy of the State to ensure a 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 and taking into consideration the active participation of the private sector in the various areas of energy resource development and to rationalize, integrate, and coordinate the various programs of the Government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns.

WHEREAS, Section 37 of the EPIRA, mandates the Department of Energy (DOE), in addition to its powers and functions under Republic Act No. 7638 or the Department of Energy Act of 1992, to supervise the restructuring of the electricity, and shall undertake the formulation of policies for the policies for 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 on 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.

WHEREAS, Republic Act No. 8479 or the Downstream Oil Industry Deregulation Act of 1998 declares the policy of the State to liberalize and deregulate the downstream oil industry in order to ensure a truly competitive market under a regime of fair prices, adequate and continuous supply of environmentally-clean and high-quality petroleum products.

WHEREAS, the Republic Act 10121, also known as "Philippine Disaster Risk Reduction and Management Act of 2010", declares among others, as the policy of the State, to institutionalize the policies, structures, coordination, mechanisms and programs with continuing budget appropriation on disaster risk reduction from national down to local levels towards building a disaster-resilient nation and communities.

WHEREAS, the country is vitally dependent on the supply of energy and any sustained failure in the energy system would have drastic consequences and impact on the country's economy and to people's daily life.

WHEREAS, the Philippines is one of the most vulnerable countries to natural and human-induced hazards.

WHEREAS, among the primordial effects of disasters is the disruption in the delivery of energy of end-users due to damaged facilities, causing serious hazard to public health and safety, huge economic and financial losses, and interruption of vital public services. While there are efforts to address disasters at various levels, most of the resources are redirected to emergency response. In establishing concrete and sustained mechanism, it is necessary that planning and investment be required to ensure that the nation's energy infrastructure can continue to delivery high performance while anticipating and reducing vulnerabilities to adverse conditions and disruptive events.

WHEREAS, ensuring resilient energy infrastructure – the ability to restore and sustain availability and accessibility of energy in the most timely and efficient manner, in the aftermath of natural and man-made disasters – is now more pronounced and there is a need to institutionalize the development, promotion and implementation of a Resiliency Compliance Plan (RCP) to strengthen the capacity, safety culture and disaster preparedness and response capability of the energy sector.

NOW, THEREFORE, premises considered, the DOE hereby promulgates the adoption of a resiliency program in the planning, project implementation and operations of the energy supply sector.

SECTION 1: DEFINITION OF TERMS

- (a) "Adaptation" – the adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.¹
- (b) "Disaster" – a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources. Disasters are often described as a result of the combination of: the exposure to a hazard; the conditions of vulnerability that are present; and insufficient capacity or measures to reduce or cope with the potential negative consequences. Disaster impacts may include loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation.²
- (c) "Hazard" – A process, phenomenon or human activity that may cause loss of life, injury or other health impacts, property damage, social and economic disruption or environmental degradation.³

¹ RA 10121

² RA 10121

³ UNISDR

- (d) "Mitigation" – structural and non-structural measures undertaken to limit the adverse impact of natural hazards, environmental degradation, and technological hazards and to ensure the ability of at-risk communities to address vulnerabilities aimed at minimizing the impact of disasters. Such measures include, but are not limited to, hazard-resistant construction and engineering works, the formulation and implementation of plans, programs, projects and activities, awareness raising, knowledge management, policies on land-use and resource management, as well as the enforcement of comprehensive land-use planning, building and safety standards, and legislation.⁴
- (e) "Resiliency" – the ability of a system, community or society exposed to hazards to resist, absorb, accommodate and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions.⁵

SECTION 2: SCOPE AND APPLICATION

The policy shall apply to all energy industry participants in the energy resource, renewable energy, power, oil and energy utilization.

SECTION 3. GENERAL POLICIES AND PRINCIPLES.

Adoption of resiliency planning and program in the energy industry shall:

- (a) Strengthen existing infrastructure facilities to adapt to and withstand adverse conditions and disruptive events;
- (b) Incorporate mitigation improvements into the reconstruction and rehabilitation of infrastructure damaged in accordance to the Build Back Better principle;
- (c) Improve operational and maintenance standards and practices to ensure expeditious restoration of energy supply in the aftermath of disruptive events; and
- (d) Develop resiliency standards for future construction of energy facilities to ensure minimal damage and adoption of measures in place for timely recovery and restoration of facilities for the continued delivery of supply.

SECTION 4. RESPONSIBILITIES

⁴ RA 10121

⁵ RA 10121

Pursuant to their respective mandates and functions under the energy laws, rules, and issuances, all energy industry participants are hereby enjoined to provide full cooperation, prepare and implement their respective Resiliency Compliance Plan (RCP), consistent with the category set in Section 6, and to comply such that the objectives set out in this Circular are attained.

SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT

Within a period of sixty (60) days upon effectivity of this Circular, all energy industry participants shall submit to the DOE their respective Resiliency Compliance Plans. In the case of ECs, respective Resiliency Compliance Plans shall be submitted through NEA, for review and consolidation.

For this purpose, and for inclusion in the budgetary requirement of implementation activities, the attached template in Annex A shall be accomplished and submitted to the DOE. Thereafter, the submission shall be made on a quarterly basis.

The Resiliency Compliance Plan shall be regularly updated by all energy industry participants every three (3) years, or earlier, if deemed necessary.

For purposes of monitoring and enforcing compliance with this Circular, a DOE Task Force on Securing Energy Facilities is hereby created.

SECTION 6. RESILIENCY COMPLIANCE PLAN

Pending the creation of standards catered towards energy resiliency, the Resiliency Compliance Plan, in general, shall at a minimum, contain adaptation measures, which includes both engineering and non-engineering options, to gauge infrastructure and human resource preparedness during and in the aftermath of disruptive events.

The RCP shall be divided into, but not limited to the following categories, thus:

- (a) Strengthening Infrastructure;
- (b) Systems;
- (c) Stockpiling; and
- (e) Response and recovery.

The DOE in coordination with all the energy industry participants shall prepare the consolidated Energy Resiliency Plan for the Energy Sector.

Any resiliency programs identified in the Resiliency Compliance Plan (RCP) shall form part of the planning criteria and are to be included in the Philippine Energy Plan which includes, among others, the National Renewable Energy Plan (NREP), Power Development Plan (PDP), Transmission Development Plan (TDP), Distribution Development Plans (DDP), Missionary Electrification

Development Plan (MEDP), and Energy Efficiency Development Plan (EEDP) of all energy industry participants.

SECTION 7. REGULATORY SUPPORT FOR THE POWER INDUSTRY SECTOR

The DOE shall, within one (1) year from effectivity of this Circular, coordinate with other concerned government agencies and industry participants, for the issuance of appropriate guidelines for the implementation of this Circular. The DOE shall make further coordination for the development of relevant resiliency standards for inclusion in their respective operating manuals, related issuances, rules and regulations.

The concerned bureaus of DOE shall ensure the adoption of the Resiliency Compliance Plan based on their respective mandates and subject to their established standards, rules and regulations. For this purpose, each of the concerned Bureaus shall develop their own guidelines, specific to the energy sector they cater to, to monitor and ensure compliance with the provisions of this Circular.

SECTION 8. DOE-TASK FORCE ON DISASTER RESILIENCE

In accordance with Section 3 hereof, the DOE-TFDR is hereby created to oversee the implementation of this Circular. The DOE-TFDR shall also be responsible in coordinating with other government agencies and/or private institutions for the development and adoption of the identified resiliency programs.

The composition of the DOE-TFDR shall be as follows:

Chairperson/s:	Designated Undersecretary
Members:	Directors/Assistant Directors of Energy Resource Development Bureau Renewable Energy Management Bureau Electric Power Industry Management Bureau Oil Industry Management Bureau Energy Utilization Management Bureau Chief (or their alternates) of Public Affairs Office Consumer Welfare and Promotion Office Investment Promotion Office
Secretariat:	Director of Energy Policy and Planning Bureau

Special Order No. SO2016-03-0018 is hereby amended accordingly.

SECTION 9. REPEALING CLAUSE.

Nothing in this Circular shall be construed as to amend, supersede, or repeal any of the mechanism or institutions already existing or responsibilities already allocated and provided for under any existing law, rule, or contract.

SECTION 10 SEPARABILITY CLAUSE.

If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, the other parts or provision hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 11. EFFECTIVITY.

This Circular shall take effect immediately upon its publication in two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Copies of this Circular shall be filed with the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR), and all entities engaged in the generation, transmission, distribution and supply of electricity.

Signed this _____ day of _____ 2017 at DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary

Annex A: Resiliency Compliance Plan Template

Categories	Project Name	Project Description	Project Benefit	Project Start Date	Project Completion Date	Total Project Cost	Yearly Disbursement			
							2017	2018	2019	2020
Strengthening Infrastructure										
Systems										
Stockpiling										
Response and Recovery										