



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

4 September 2017

Mr. ALFONSO G. CUSI

Secretary, Department of Energy
4/F PNOC Building V
Energy Center, Rizal Drive
Bonifacio Global City, Taguig City

Dear Sec. Cusi:

We are respectfully submitting the attached matrix of comments on the *Draft DOE Circular on the Adoption of Resiliency Planning and Program in the Energy Industry to Mitigate Adverse Effects Brought about by Disasters*.

We support the Department's adoption of a resiliency program that would help improve the industry's capability to withstand natural calamities and to restore electric service. Since this initiative would require significant investment in construction of new facilities and rehabilitation of existing ones, we request that all energy industry stakeholders be given the opportunity to participate in the development of guidelines for the implementation of this Circular.

We greatly appreciate the opportunity to submit our comments and observations. We are at your disposal should you wish to discuss this matter further.

Very truly yours,

LAWRENCE S. FERNANDEZ
Vice President and Head
Utility Economics

Copy furnished:
Director Patrick T. Aquino
Energy Policy and Planning Bureau

MANILA ELECTRIC COMPANY (MERALCO)

DOE Draft Circular – Adoption of Resiliency Planning and Program in the Energy Industry to Mitigate Adverse Effects Brought about by Disasters Matrix of Comments

PAGE/SECTION NUMBER	CONCERNED PARTY	DISCUSSION OF COMMENTS AND/OR QUESTIONS FOR CLARIFICATION	COMMENTS AND SUGGESTIONS
p.3/Section 3	MERALCO	<p>"SECTION 3. GENERAL POLICIES AND PRINCIPLES</p> <p><i>Adoption of resiliency planning and program in the energy industry shall:</i></p> <p><i>(a) Strengthen existing infrastructure facilities to adapt to and withstand adverse conditions and disruptive events;</i></p> <p><i>(b) Incorporate mitigation improvements into the reconstruction and rehabilitation of infrastructure damaged in accordance to the Build Back Better principle;</i></p> <p><i>(c) Improve operational and maintenance standards and practices to ensure expeditious restoration of energy supply in the aftermath of disruptive events; and</i></p> <p><i>(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."</i></p>	<p>Adoption of resiliency measures will require additional capital and operational expenditures. DUs will need to be allowed to recover the expenses consequent to these resiliency measures within a reasonable period.</p> <p>Hence, we respectfully propose the following:</p> <p>"SECTION 3. GENERAL POLICIES AND PRINCIPLES</p> <p><i>Adoption of resiliency planning and program in the energy industry shall:</i></p> <p>x x x</p> <p><u>In the case of regulated entities, such as distribution utilities, the recovery of capital and operational expenses is subject to the approval of the Energy Regulatory Commission."</u></p>
pp. 4-5 / Sections 5 and 7	MERALCO	<p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p> <p><i>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.</i></p> <p>x x x"</p> <p>vis-à-vis</p>	<p>Industry participants may need more time than what is allotted under Section 5 to prepare resiliency compliance plans. The preparation of resiliency compliance plans would largely depend on the issuance of appropriate guidelines, as mentioned in Section 7.</p> <p>Hence, we respectfully propose the following:</p> <p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p>

MANILA ELECTRIC COMPANY (MERALCO)

DOE Draft Circular – Adoption of Resiliency Planning and Program in the Energy Industry to Mitigate Adverse Effects Brought about by Disasters Matrix of Comments

PAGE/SECTION NUMBER	CONCERNED PARTY	DISCUSSION OF COMMENTS AND/OR QUESTIONS FOR CLARIFICATION	COMMENTS AND SUGGESTIONS
		<p>"SECTION 7. REGULATORY SUPPORT FOR THE POWER INDUSTRY SECTOR</p> <p><i>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.</i></p> <p>x x x"</p>	<p><i>Within a period of sixty (60) ninety (90) days upon effectivity of this Circular the effectivity of guidelines to be issued under Section 7 of this Circular, all energy industry participants shall submit to the DOE their respective Resiliency Compliance Plans. A template for this purpose shall be prepared in consultation with industry stakeholders and will be made part of said guidelines."</i></p>
P. 4 / Section 5	MERALCO	<p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p> <p>x x x</p> <p><i>For this purpose, and for inclusion in the budgetary requirement of implementation activities, the attached template Annex A shall be accomplished and submitted to the DOE. Thereafter, the submission shall be made on a quarterly basis.</i></p> <p>x x x"</p>	<p>We propose that updates be submitted annually, instead of quarterly, as no significant changes may be reported quarterly. Completed and ongoing projects may be reported annually.</p> <p>Hence, we respectfully propose the following:</p> <p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p> <p>x x x</p> <p><i>For this purpose, and for inclusion in the budgetary requirement of implementation activities, the attached template Annex A shall be accomplished and submitted to the DOE. Thereafter, the submission shall be made on a quarterly annual basis.</i></p> <p>x x x"</p>
P. 4 / Section 5	MERALCO	<p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p>	<p>If we understood correctly, the submission of the Resiliency Compliance Plan is meant to assess the</p>

MANILA ELECTRIC COMPANY (MERALCO)

DOE Draft Circular – Adoption of Resiliency Planning and Program in the Energy Industry to Mitigate Adverse Effects Brought about by Disasters Matrix of Comments

PAGE/SECTION NUMBER	CONCERNED PARTY	DISCUSSION OF COMMENTS AND/OR QUESTIONS FOR CLARIFICATION	COMMENTS AND SUGGESTIONS
		<p>x x x</p> <p>The Resiliency Compliance Plan shall be regularly updated by all energy industry participants every three (3) years, or earlier, if deemed necessary."</p>	<p>effectiveness of the plan and to determine if there is a need to invest in additional capital projects and/or rehabilitate existing facilities. We respectfully propose the following revision:</p> <p>"SECTION 5. COMPLIANCE, MONITORING AND ENFORCEMENT</p> <p>x x x</p> <p>The Resiliency Compliance Plan shall be regularly updated <u>reviewed</u> by all energy industry participants every three (3) years, or earlier. <u>After conducting the review, energy industry participants shall submit their revised Resiliency Compliance Plan,</u> if deemed necessary."</p>