



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

MEMORANDUM

TO : ALL DISTRIBUTION UTILITIES

FROM : UNDERSECRETARY FELIX WILLIAM B. FUENTEBELLA 

SUBJECT : COMPETITIVE SELECTION PROCESS ADVISORY

DATE : 21 MARCH 2018

To effectively implement Department Circular No.DC2018-02-0003 entitled, **“ADOPTING AND PRESCRIBING THE POLICY FOR THE COMPETITIVE SELECTION PROCESS IN THE PROCUREMENT BY THE DISTRIBUTION UTILITIES OF POWER SUPPLY AGREEMENT FOR THE CAPTIVE MARKET”**, the Department of Energy (DOE) hereby issues the following:

1. The DOE emphasizes that the CSP policy aims to promote the needs of the consumers as presented in the Distribution Development Plans (DDPs) and Power Supply Procurement Plans (PSPPs) of the Distribution Utilities (DUs). The DU shall embrace the principle of technology neutrality and consider the reliability of energy services in a least cost manner. The DU shall also ensure that it can meet the demand for its Captive Market at any given time.

Hence, Section 1, Subsection 1.4 of the CSP Circular is further clarified, to wit:

- 1.1. Item (iii) means that the fuel resource to be indicated in the Terms of Reference (TOR) shall describe the capability of the power generation plant needed to meet the load or demand behavior, which can either be conventional or renewable energy. The specific types of fuels enumerated are provided as examples only of conventional and renewable sources of energy.
- 1.2. The parameter on emerging technology under Item (iv) is optional and may only be specified when necessary, based on the load or demand behavior of the customers.

While new technologies are being encouraged to participate in the CSP, the TOR or the procurement process shall not refer to a specific type of technology or power plant.

2. Pursuant to Section 5 of the CSP Circular, all DUs are hereby advised to establish their respective Third Party Bids and Awards Committee (TPBAC), TPBAC Technical Working Group (TWG) and TPBAC Secretariat.

Further, the selection process on the representatives of the captive customers to the TPBAC of each DU shall be submitted to the DOE for review and approval.

The same applies to the establishment of the Joint TPBAC, Joint TPBAC TWG and Joint TPBAC Secretariat.

3. In accordance to Section 4, all DUs are advised to prepare their respective PSPPs to be incorporated on the DDP. Attached as "Annex A" is the PSPP template for the guidance of the CSP participants.
4. In accordance with the "buyers' market principle" under the RA 9136, the CSP Circular does not allow unsolicited proposals from suppliers. All PSAs shall be procured through the CSP and shall be based on planning and scheduling of power supply requirements, as specified in the PSPP.
5. In accordance with the transparency principle in the administration of the CSP, all stages enumerated under Section 8.5 (Publication and Posting) shall be posted in the DOE CSP Portal.

In the interim, all updates related to the CSP activities and invitation to DOE as CSP Observers must be submitted to the DOE through e-mail address doe.csp@gmail.com.

For your guidance and compliance.


FELIX WILLIAM B. FUENTEBELLA
Undersecretary