



DEPARTMENT ORDER NO. DO 2025-06-0009 *Am*

**PRESCRIBING THE GUIDELINES GOVERNING THE IMPLEMENTATION OF  
TOTAL ELECTRIFICATION PROJECTS BY QUALIFIED HIGHER EDUCATIONAL  
INSTITUTIONS, NON-GOVERNMENTAL ORGANIZATIONS, DISTRIBUTION  
UTILITIES, AND OTHER ENTITIES**

**WHEREAS**, Republic Act (RA) No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001,” declares it the policy of the State to ensure and accelerate the total electrification of the country and provides that the Department of Energy (DOE) shall, among other powers and functions, ensure the reliability, quality and security of the supply of electric power, exercise such other powers as may be necessary or incidental to attain the objectives of the law, and take the necessary measures to ensure that the provisions of the law are properly implemented;

**WHEREAS**, RA No. 11646, otherwise known as the “Microgrid Systems Act,” declares it the policy of the State to accelerate total electrification and ensure the provision of quality, reliable, and secure electricity service at reasonable rates in unserved and underserved areas, and provides that the DOE shall, among other powers, functions and responsibilities, perform such other powers and functions as may be necessary to attain the objectives of the law;

**WHEREAS**, Executive Order No. 156, Series of 2021, titled “Instituting Measures to Ensure Consistent and Reliable Electricity Service in Inadequately Served Areas, Improve Performance of Ineffective Distribution Utilities, and Achieve Total Electrification of the Country,” directs the DOE to take appropriate steps to ensure the electrification of inadequately served areas and perform such other functions to accelerate the total electrification of the country;

**WHEREAS**, to achieve 100% household electrification level, the DOE has, among other strategies, a Total Electrification Project (TEP) funded through the General Appropriations Act - Locally Funded Projects (LFP) (TEP Fund), with regular allocation as approved by Congress, to assist distribution utilities (DUs) in the attainment of total electrification in their respective franchise areas;

**WHEREAS**, the DOE has recognized the need to tap partners in the electrification of areas covered by the TEP to augment the efforts of DUs in implementing the TEP;

**WHEREAS**, the DOE deems it appropriate to provide further guidelines to improve the policy framework and process flow in engaging partners, such as state universities and colleges, and non-governmental organizations (NGOs), among others, in the implementation of the TEP, and to promote transparency and accountability in the disbursement and utilization of the TEP Fund;

**WHEREAS**, there is a need to intensify the effective and timely implementation of the TEP to contribute to achieving the government’s goal of 100% household electrification by 2028;

**NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby promulgates these guidelines for the implementation of the TEP under this Department Order.

### **SECTION 1. Rationale.**

This Department Order is being promulgated for the effective, efficient, and sustainable implementation of the TEP. It aims to rationalize and ensure the immediate implementation of household electrification projects under the TEP as may be implemented by entities qualified under this Department Order, in coordination with the concerned DUs.

### **SECTION 2. Scope and Coverage.**

This Department Order shall apply to the following entities:

- 2.1. Higher Educational Institutions (HEIs);
- 2.2. NGOs;
- 2.3. DUs;
- 2.4. Government Agencies; and
- 2.5. Other entities duly qualified by the DOE to implement the TEP.

### **SECTION 3. Guiding Principles.**

This Department Order shall be guided by the following principles:

- 3.1. The implementation of the TEP shall conform with the latest National Total Electrification Roadmap (NTER) published by the DOE;
- 3.2. The selection of areas and implementing partners shall be in accordance with the guidelines set herein, subject to the joint validation of the DOE, the concerned DU, and, with respect to the selection of the relevant areas, the partner qualified entity implementing a TEP Project (TEP Project Implementer);
- 3.3. TEP Project Implementers must be compliant with the requirements as specified under this Department Order;
- 3.4. The implementation of any TEP project shall be governed by a Memorandum of Agreement (MOA) which shall be executed by the DOE, the concerned DU, and the TEP Project Implementer and which shall ensure the timely, transparent, and efficient implementation of the project;
- 3.5. Following the completion of the construction of a TEP project, it shall be turned over to the concerned DU, subject to the conduct of a joint technical inspection and the acceptance by the DOE and the concerned DU; and

- 3.6. All TEP Fund utilization shall be subject to government accounting and auditing rules and regulations.

#### **SECTION 4. Definition of Terms and Acronyms.**

- 4.1. **Higher Educational Institutions (HEIs)** – refer to any of the tertiary-level educational institutions in the country.
- 4.2. **Local Total Electrification Roadmap (LTER)** - refers to a DU's comprehensive 10-year strategic plan with an annual work plan to accelerate total electrification in its franchise area, which is to be updated annually.
- 4.3. **National Total Electrification Roadmap (NTER)** - refers to the comprehensive national strategic plan, including a work plan to accelerate total electrification in the country considering the various LTERs and the Distribution Development Plans (DDPs) of DUs.
- 4.4. **Non-Government Organization** - refers to a legally constituted, non-profit, and independent organization that operates outside the direct control of the government.
- 4.5. **PV Mainstreaming Program** - refers to the provision of PV Solar Home Systems to remote households under a “fee-for-service mechanism,” at a rate approved by the Energy Regulatory Commission (ERC), and “mainstreamed” as an electricity service with consumers of the DUs choosing the service and having similar rights and obligations as other customers receiving grid service.
- 4.6. **Served Area/Barangay** - refers to any barangay in which household Electrification Level is 100%, and all served households have access to electricity 24/7.
- 4.7. **Stand-alone Home Systems** - refer to independent energy systems installed in individual households, utilizing renewable energy sources to generate and store electricity without relying on a centralized power grid.
- 4.8. **TEP Project Implementer** - refers to the entity qualified under this Department Order to implement an electrification project under the TEP.
- 4.9. **Total Electrification Steering Committee (TESC)** - refers to the committee established through Department Order No. DO2022-12-0016, with oversight functions in the formulation and the consolidation of the various programs that full access to electricity for communities identified as unserved and underserved.

#### **SECTION 5. Applicable Electrification Solution.**

Based on geographical characteristics, contiguity of households, proximity to existing distribution facilities, and the ability of a household to finance connection requirements,

the following electrification solutions may be proposed and adopted by a TEP Project Implementer:

- 5.1. **Household Regular Connection:** This is the connection of individual households to the DU system by the provision and installation of basic wiring materials, 30 meters service drop wire, and electric meter to meet the connection requirements under the Distribution Service Open Access Rules (DSOAR) and applicable regulations of the ERC;
- 5.2. **Distribution Line Extension:** In remote or unserved areas, this involves extending the distribution lines to previously unreached communities and providing regular household connections. The TEP shall include the components for the extension of DU facilities and providing household regular connections in unserved and partially served areas where the identified households are relatively close to each other. This strategy shall also consider the cost of household regular connection requirements involved in completing an electrification project;
- 5.3. **Stand-Alone Home Systems:** In more isolated or challenging areas, stand-alone home systems, such as solar home systems or other renewable energy sources, may be deployed to provide independent power solutions to individual households. A TEP shall consider the minimum requirements of the stand-alone home system adopted under the PV Mainstreaming Scheme of the DOE; and
- 5.4. **Decentralized Energy Systems:** This involves the provision of energy generation and distribution systems that operate independently from the traditional centralized grid.

## **SECTION 6. Identification and Prioritization of Unserved Areas for TEP.**

- 6.1. The list of target unserved areas that will be energized under the TEP shall include unserved areas that are unfunded by the National Electrification Administration (NEA), the National Power Corporation (NPC), and the DUs within a reference fiscal year based on the latest NTER and the duly accepted LTER of the relevant DU.

Prioritization of areas shall be based on the following considerations:

- 6.1.1. **Level of Energization.** Areas with the lowest electrification level down to the barangay level shall be given the highest priority.
- 6.1.2. **Poverty Incidence.** Areas with the highest poverty incidence based on latest available census data shall be given the highest priority.
- 6.1.3. **Proposed Timeline of Implementation in the NTER/LTER.** Identified areas proposed by the DUs in their LTER for electrification in later years may be considered for prioritization by the DOE.

**6.1.4. Proposed Electrification Solution.** The DOE shall prioritize the inclusion of areas that can only be energized through stand-alone home systems or by decentralized energy systems.

6.2. Should the DOE receive a project proposal not included in the latest NTER and/or validated LTER of the concerned DUs, the same may be reconsidered and given priority in the subsequent cycle of TEP funding and implementation by the DOE. Subsequent activities will be conducted to prepare for the allocation and utilization of the TEP Fund in the following fiscal year.

## **SECTION 7. Identification of the Project Implementer.**

7.1. Entities may qualify as TEP Project Implementers based on the following factors:

**7.1.1. Track Record:** Entities should have a proven track record of effectively managing projects, particularly, those funded by the government. This includes the successful completion of these projects on time and within budget.

In the case of a DU with respect to areas outside of its franchises it should have achieved and maintained 100% household electrification in its franchise area for the past 2 years or provided its franchise area with 24/7 service operation.

**7.1.2. Compliance:** Entities should demonstrate compliance with government regulations and standards, including those related to project management, accounting, and auditing procedures, especially liquidation of previous government-funded projects.

They should not have any outstanding liquidation obligation in relation to previous project/s with DOE and/or other government agencies.

**7.1.3. Technical Capacity:** Entities should possess the technical expertise and capability necessary to implement the TEP project, such as experience with at least 1 completed similar project such as electrical infrastructure development, maintenance, and operation.

**7.1.4. Commitment to Project Objectives:** Entities should show a clear willingness and commitment to fully meet the objectives of the TEP project, such as promoting electrification or improving energy efficiency.

**7.1.5. Transparency and Reporting:** Entities should have transparent reporting mechanisms in place to provide regular updates on project progress, expenditures, and outcomes to relevant

government agencies and stakeholders, including the DOE and the relevant DU.

**7.1.6. Stakeholder Engagement:** Entities should demonstrate a willingness to actively engage and consult with relevant stakeholders, including local communities, government agencies, and other project partners, to ensure effective project implementation and address any concerns or challenges that may arise from time to time.

**7.2.** Upon its determination of target unserved areas, the DOE, in coordination with the DU, shall identify the TEP Project Implementer through the following activities:

**7.2.1.** Identify potential TEP Project Implementers which shall possess the attributes set out under Section 7.1 hereof. Preference shall be given to TEP Project Implementers located within the target area for electrification.

**7.2.2.** Upon identification of the potential TEP Project Implementer, facilitate coordination and discussion to ensure its qualification based on the criteria provided under Section 7.1 of this Department Order. The discussion shall include project concept, target areas, technical expertise, experience in handling projects, and relevant engineering background.

The potential TEP Project Implementer will be required to complete the Project Implementer - Qualification Form (**Annex A**) and provide supporting documents for the DOE to complete its qualification and selection process.

**7.2.3.** Facilitate the final evaluation and approval of the qualification and selection of the TEP Project Implementer, the project details, including the type of electrification project, and the covered target unserved areas.

**7.2.4.** Coordinate with the TEP Project Implementer to formalize the engagement and partnership in the TEP implementation through a Memorandum of Agreement, as detailed in Section 9 of this Department Order.

## **SECTION 8. Project Funding Requirement.**

**8.1.** The funding for the TEP shall be sourced from the approved DOE LFP-TEP per reference fiscal year.

To cover the implementation expenses of the TEP Project Implementer, the percent (%) allocation of the Total Project Cost (TPC) shall include the following components: Capital Outlay (CO), Administrative and

Maintenance and Other Operating Expenses (MOOE), and Contingency Fund:

- 8.1.1. The CO shall refer to the project cost of the actual equipment/component of the project and shall comprise 88.90% of the TPC;
- 8.1.2. The Administrative and MOOE shall be 6.70% of the TPC. The Administrative Expenses shall cover the costs of project fieldwork activities and site visits, attendance and participation in coordination and consultation meetings, workshops, procurement, and other related activities, and office supplies, and communication expenses. The MOOE shall cover the costs of day-to-day operations, construction and installation, and other related activities of the TEP project; and
- 8.1.3. A Contingency Fund of 4.40% of the TPC shall cover the possible unforeseen expenses brought by possible deviations in the project, such as additional households to be energized based on the physical validation by the TEP Project Implementer.

*Table 1: TEP Project Cost Breakdown*

	<b>Budgetary Items of Total Project Cost (TPC)</b>	<b>% Allocation</b>
1	Capital Outlay	88.9
2	Administrative & MOOE	6.70
3	Contingency Fund	4.40

## **SECTION 9. Memorandum of Agreement.**

- 9.1. The DOE, together with the DU, shall enter into a MOA with the TEP Project Implementer covering the target area to formalize said agreement for the implementation of the identified electrification project.
- 9.2. The MOA shall include the following details:
  - 9.2.1. roles and responsibilities of the concerned DU and the TEP Project Implementer relative to the timely implementation and closeout of the TEP project;
  - 9.2.2. the TPC broken down into the Administrative, MOOE, and Contingency Fund as detailed in Section 8 of this Department Order;
  - 9.2.3. penalty clauses for any delay, non-completion, and/or non-performance of obligations by the TEP Project Implementer, including the penalty of revocation/cancellation of the TEP Project Implementer status of the defaulting TEP Project Implementer;

- 9.2.4. ownership of physical assets including distribution and associated facilities (such as but not limited to distribution utility poles, transformers, kWh meters, service entrance wire, etc.) and solar home system after completion of the TEP project.

All materials and other related expenses financed under the TEP Fund shall be excluded from the DUs' rate base and shall not be included in costs that may be recovered by the DUs in the setting of their distribution rates.

- 9.2.5. disbursement of the TEP Fund for the implementation of projects under the TEP, which shall be consistent with pertinent laws, rules, and regulations as well as government spending accounting and auditing rules and Presidential Decree No 1445 concerning the post-audit requirements of the Commission of Audit;

- 9.2.6. timeline of implementation and completion of electrification projects for unserved areas which must be completed within the fiscal year, including specific obligations for the utilization of funds.

Project liquidation documents must be submitted to the DOE within three (3) months after the completion of TEP, duly certified by the authorized Accountant and Project Manager of the TEP Project Implementer.

- 9.3. The performance of all obligations under the MOA shall be compliant with pertinent laws and government regulations such as but not limited to Commission on Audit (COA) Circular No. 94-013 (Rules and Regulations in the Grant, Utilization, and Liquidation of Funds transferred to Implementing Agencies).

## **SECTION 10. Visitorial Authority.**

The COA shall have visitorial and audit authority over TEP Project Implementers who have received TEP funds, including site visits and physical audits of TEP projects.

## **SECTION 11. Reporting and Monitoring Requirements.**

- 11.1. The TEP Project Implementers shall regularly submit monthly progress reports of TEP project implementation until their completion.
- 11.2. The TEP Project Implementers shall keep and maintain financial and accounting records of the funds received under the TEP. Such records shall be made available to the DOE and the COA.



- 11.3. The DOE, in coordination with concerned DUs, shall regularly monitor the TEP project development and implementation, including through the regular monthly reports submitted by the TEP Project Implementer.

## **SECTION 12. Completion and Close-out Arrangements.**

- 12.1. Upon TEP project completion, a composite team of the DOE and the concerned DU shall conduct a spot inspection to validate the TEP Project Implementer's reports and to determine if the project has been undertaken according to the approved plans and specifications, including as to its operational, technical and financial aspects.
- 12.2. The DOE and the concerned DU shall issue a Certificate of Joint Inspection and Acceptance for the completed projects following the inspection, as may be warranted.
- 12.3. The documentary report/s in support of the utilization and liquidation of the funds received under the TEP Fund shall follow government accounting and auditing rules and Presidential Decree No. 1445 concerning the post-audit requirements of the Commission on Audit.

## **SECTION 13. Turnover and Project Sustainability.**

Upon TEP project closeout, the project, its appurtenant facilities and all documents relevant to its ownership, operation and maintenance, shall be turned over to the concerned DUs by the TEP Project Implementer. The TEP Project Implementer shall execute deeds of donation or transfer, assignment of warranties and any relevant agreements and such other document as may be required to ensure that title and possession over the project is completely transferred to the concerned DU, and the operation and maintenance of the project is uninterrupted.

## **SECTION 14. Duties and Responsibilities.**

- 14.1. The DOE shall review the unserved areas in the LTER of the DUs and evaluate the electrification plans for said areas in consultation with the concerned DUs with the objective to;
  - 14.1.1. ensure the availability of TEP Funds for the TEP Project Implementers;
  - 14.1.2. develop online platforms for the identification of unserved households and validation of households and areas to be covered by the TEP Project Implementers;
  - 14.1.3. develop a Database Management System for TEP project implementation monitoring;
  - 14.1.4. ensure the timely liquidation of TEP Funds utilized by TEP Project Implementers; and,

- 14.1.5. through the TESC, oversee and supervise the TEP implementation.
- 14.2. The TEP Project Implementers shall be responsible for the implementation of the TEP projects in the identified unserved areas as provided by DOE, in coordination with the concerned DU/s and/or LGU/s. For this purpose, it shall:
  - 14.2.1. enter into a MOA with DOE and the concerned DU for the implementation of the approved TEP project;
  - 14.2.2. validate and finalize the list of TEP household beneficiaries as provided by DOE, in coordination with the concerned DU;
  - 14.2.3. implement the TEP project in coordination with the concerned DUs and, as may be necessary, the LGUs;
  - 14.2.4. as required, procurement of all relevant materials and services shall comply with applicable laws and regulations on government procurement;
  - 14.2.5. coordinate and work with relevant DOE bureaus and units (EPIMB, Financial Services, and Administrative Services) for the monitoring, liquidation, and submission of terminal reports for the project and any other concerns for its proper closure;
  - 14.2.6. manage the project, including monitoring and evaluating its progress, diligent record-keeping of all project documents and preparation of regular reports;
  - 14.2.7. turn-over to the concerned DU the TEP project upon its completion, together with the complete project documentation; and
  - 14.2.8. perform any other tasks relevant to the project as directed by the DOE, including attendance at all meetings, events, and functions.
- 14.3. In coordination with the DOE, the DU shall exercise overall supervision of TEP Project Implementers for the implementation of the Project to:
  - 14.3.1. ensure the timely completion of all TEP projects within its franchise area;
  - 14.3.2. in coordination with the TEP Project Implementer, undertake institutional development activities, and social and community engagement and development to empower the recipient household beneficiaries to effectively secure, manage and operate the TEP projects, as applicable;

- 14.3.3. establish and institutionalize a special business unit that will manage the TEP once completed;
- 14.3.4. oversee the TEP Project Implementer from project inception to turnover, including all concerns that may be encountered in the implementation of TEP projects within its franchise area; and,
- 14.3.5. accept, own and ensure the sustainable operation of the completed TEP project following its turnover by the TEP Project Implementer.

If the TEP project adopts the PV Mainstreaming Program, the DU shall facilitate the application with the ERC at the early stage of TEP project implementation. This ensures the immediate adoption and implementation of the PV Mainstreaming Program and the application of the current Benchmark SHS Tariff upon the DOE's issuance of a Certificate of Inspection and Completion of the TEP and TEP project's turnover to the DU.

**SECTION 15. Regulatory Support.** The ERC shall ensure the provision of regulatory support and timely decisions in DU's application relative to the tariff setting of the TEP electrification based on existing laws and procedures, whenever applicable.

**SECTION 16. Repealing Clause.** All pertinent issuances, circulars, and memoranda inconsistent with this Department Order are hereby repealed or amended accordingly.

**SECTION 17. Separability Clause.** If any provision of this Department Order or any part thereof be declared invalid or unconstitutional, the other portions or provisions hereof which are not affected shall continue in full force and effect.

**SECTION 18. Effectivity.** This Department Order shall take effect immediately upon its issuance and shall remain in effect until sooner modified or revoked by the undersigned or any competent authority.

Issued on JUN 13 2025 at the DOE, Energy Center, Rizal Drive corner 34<sup>th</sup> Street, Bonifacio Global City, Taguig City.

  
**RAPHAEL P.M. LOTILLA**  
Secretary

