



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

**DEPARTMENT CIRCULAR NO. DC2019-07-0011<sup>m</sup>**

**AMENDING VARIOUS ISSUANCES ON THE IMPLEMENTATION OF THE RETAIL  
COMPETITION AND OPEN ACCESS (RCOA)**

**WHEREAS**, Republic Act No. 9136 entitled, "Electric Power Industry Reform Act of 2001", otherwise known as the EPIRA, declared as policy of the State to ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market;

**WHEREAS**, Section 37 of the EPIRA mandates the DOE to supervise the restructuring of the electricity industry and formulate such rules and regulations as may be necessary to implement the objectives of the Act;

**WHEREAS**, Section 31 of EPIRA mandates that upon the initial implementation of Open Access, the Energy Regulatory Commission (ERC) shall allow all electricity End-users with a monthly average peak demand of at least one (1) megawatt (MW) for the preceding twelve (12) months to be the contestable market. Two (2) years thereafter, the threshold level for the contestable market shall be reduced to 750 kilowatts (kW). At this level, Aggregators shall be allowed to supply electricity to end-users whose aggregate demand within a contiguous area is at least 750 kW. Subsequently and every year thereafter, the ERC shall evaluate the performance of the market. On the basis of such evaluation, it shall gradually reduce the threshold level until it reaches the household demand level;

**WHEREAS**, on 24 February 2012, the DOE designated the Philippine Electricity Market Corporation (PEMC), as the then Market Operator, to act as the Central Registration Body (CRB) thru Department Circular No. DC2012-02-0002 and undertake, among others, the development and management of the required systems and processes that shall be capable of handling customer switching and information exchange among retail electricity market participants and the settlement of their transaction in Wholesale Electricity Spot Market (WESM);

**WHEREAS**, on 09 May 2012, the DOE promulgated Department Circular No. DC2012-05-0005, prescribing the general policies for the implementation of Retail Competition and Open Access (RCOA) and Section 3 thereof provides that RCOA shall be integrated with the WESM and further provides that all Contestable Customers (CCs) shall become members of the WESM as Trading Participants, directly or indirectly;

**WHEREAS**, on 02 July 2013, the DOE promulgated Department Circular No. DC2013-07-0013, which provides, among others, that under Section 1 thereof, the CCs may source their electricity supply requirements from ERC-licensed/authorized RES or directly through the WESM;

**WHEREAS**, on 29 November 2017, the DOE promulgated Department Circular No. DC2017-12-0013 which provides for the timeline of lowering the demand threshold level in voluntary participation of the CCs on the retail market;

**WHEREAS**, the lowering of the threshold is expected to increase the number of eligible CCs which requires the updating and simplifying RCOA processes;

**WHEREAS**, on 17 January 2018, the DOE promulgated Department Circular No. DC2018-01-0002 providing the policies for the efficient transition of the WESM to the independent Market Operator (IMO). Pursuant thereto, the IMO assumed the functions of the Market Operator while PEMC shall be the governing arm of the WESM;

**WHEREAS**, cognizant of the need to address policy gaps and ensure further development of the implementation of the RCOA, the DOE, subjected to public consultations on 12 April 2019 and 23 May 2019 in Luzon and Visayas, respectively, a draft department circular amending various issuances on RCOA;

**NOW THEREFORE**, for and in consideration of the foregoing, the DOE hereby issues, adopts and promulgates the following policies for the continuous development and implementation of RCOA as embodied in the EPIRA:

**Section 1. AMENDMENT TO SECTION 3 OF DC2012-05-0005.** Section 3 of DC2012-05-0005 shall be read as follows:

*Consistent with the definition of Open Access, CCs are hereby allowed the use of the transmission and distribution systems and may voluntarily register as a Trading Participant in the WESM.*

*For this purpose, the Market Operator shall recommend to the DOE the appropriate changes on existing WESM Rules, Retail Rules and Market Manuals to carry out policies for the further development of RCOA.*

**Section 2. AMENDMENT TO SECTION 1 OF DC2013-07-0013.** Section 1 of DC2013-07-0013 shall be read as follows:

*Consistent with the objectives of EPIRA and its Implementing Rules and Regulations (EPIRA-IRR), and other applicable rules and regulations, a CC shall source its electricity supply requirements from ERC-licensed/authorized Suppliers.*

**Section 3. DESIGNATION OF THE IMO AS THE CENTRAL REGISTRATION BODY.** Pursuant to Section 5 of DC2018-01-0002, the IMO shall be the CRB. For this purpose, the IMO shall upgrade, modify or develop its registration systems, processes and guidelines for the effective implementation of the RCOA. Likewise, it shall recommend changes to the WESM Rules, Retail Rules and Market Manuals that may be affected by the implementation of this Circular.

Accordingly, provisions of Department Circular No. DC2012-02-0002 referring to PEMC as the CRB are hereby amended.



**Section 4. REGULATORY SUPPORT.** The ERC is hereby directed to issue the relevant Rules and Regulations necessary to implement this Circular within thirty (30) calendar days from its effectivity.

**Section 5. SEPARABILITY CLAUSE.** If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 6. REPEALING CLAUSE.** All issuances inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

**Section 7. EFFECTIVITY.** This Circular shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation and submission to the University of the Philippines Law Center – Office of National Administrative Register (UPLC-ONAR).

JUL 29 2019

Issued on \_\_\_\_\_ at Energy Center, Bonifacio Global City, Taguig City.

  
ALFONSO G. CUSI  
Secretary



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DEPARTMENT OF ENERGY  
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