



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

DEPARTMENT ORDER NO. DO2018-10-0018 /

**ADOPTING THE GUIDELINES FOR THE OPERATIONALIZATION OF THE
RENEWABLE ENERGY TRUST FUND, AND FOR OTHER PURPOSES**

WHEREAS, Under Section 2 of Republic Act (RA) No. 9513 or the "*Renewable Energy Act of 2008*", it is declared policy of the State to:

- (a) Accelerate the exploration and development of renewable energy sources such as, but not limited to biomass, solar, wind, hydro, geothermal and ocean energy resources including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuation in the international markets, the effects in the international markets, the effects of which spiral to almost all sectors of the economy;
- (b) Increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;
- (c) Encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and the environment; and
- (d) Establish the necessary infrastructure and mechanism to carry out the mandates specified in RA No. 9513 and other existing laws;

WHEREAS, Section 32, Rule 11 of Department Circular No. DC2009-05-0008, also known as Rules and Regulations Implementing Republic Act No. 9513, provides the general guidelines on the sources, exclusive administration, and utilization of the Renewable Energy Trust Fund (RETF);

WHEREAS, there is a need to set certain guidelines for the administration of the RETF, specifically, on the collection and utilization thereof;

NOW, THEREFORE, the following guidelines are hereby promulgated for the administration of the RETF:

Section 1. Title and Scope

This Department Order shall govern the collection, administration, and utilization of the RETF and shall be referred to as the "Internal Guidelines for the Operationalization of the Renewable Energy Trust Fund" ("Guidelines").

Section 2. RETF Utilization

Consistent with Section 32, Rule 11 of Department Circular (DC) No. DC2009-05-0008, the RETF shall be exclusively used to:

- (a) Finance the research, development, demonstration, and promotion of the widespread and productive use of renewable energy (RE) systems both for power and non-power applications;
- (b) Provide funding to qualified research and development institutions engaged in RE studies undertaken jointly through public-private sector partnerships, including a provision for scholarships and fellowships for energy studies;
- (c) Support the development and operation of new RE resources to improve their competitiveness in the market, provided, That the grant thereof shall be done through a competitive and transparent manner;
- (d) Conduct nationwide resource and market assessment studies for power and non-power applications of RE systems;
- (e) Propagate RE knowledge by accrediting, tapping, training, and providing benefits to institutions, entities, and organizations which can help widen the promotion and reach of RE benefits at the national and local level; and
- (f) Fund such other activities necessary or incidental to the attainment of the objectives of the RA No. 9513.

Section 3. RETF Sources

Consistent with Article 34, Rule 11 of DC No. DC2009-05-0008, the RETF shall be sourced from the following:

- (a) Proceeds from the emission fees collected from all power generating facilities consistent with RA No. 8749 or the "*Philippine Clean Air Act*";
- (b) One and a half percent (1.5%) of the net annual income of the Philippine Charity Sweepstakes Office;
- (c) One and a half percent (1.5%) of the net annual income of the Philippine Amusement and Gaming Corporation;
- (d) One and a half percent (1.5%) of the net annual dividends remitted to the National Treasury by the Philippine National Oil Corporation and its subsidiaries;

- (e) Contributions, grants and donations, *provided*, That all contributions, grants and donations made to RETF shall be tax deductible subject to the provisions of the National Internal Revenue Code. To this end, the Department shall coordinate, collaborate, and cooperate with the Bureau of Internal Revenue in formulating the regulations, rules, or guidelines to implement this provision:
- (f) One and a half percent (1.5%) of the proceeds of the share of the government collected from the development and use of indigenous non-RE resources;
- (g) Any revenue generated from the utilization of the RETF; and
- (h) Proceeds from the fines and penalties imposed under the RA No. 9513.

Section 4. Mechanism for the Collection of and Establishment of a Special Trust Account for the RETF

The Department, Philippine Charity Sweepstakes Office, Philippine Gaming and Amusement Corporation, Department of Environment and Natural Resources, and the Department of Budget and Management, as mentioned in Section 34 of the RE Act IRR shall formulate the necessary mechanism for the transfer of funds which include, among others, the specific mode of collection and the schedule of the transfer of funds. The Department shall, in coordination with the aforementioned entities, establish a special trust account in any of the existing GFIs which will serve as a repository for the collections made for the RETF.

Moreover, the Department and the said entities shall establish or designate a unit which shall conduct the audit of the sources and shall monitor the collection. It shall likewise be responsible for the issuance of the payment order prior to the issuance of an official receipt by the Department's Treasury Division.

Section 5. Administration of the RETF

For the purpose of implementing the provisions of this Guidelines, a Committee is hereby constituted to be composed of the following:

Chairperson	Undersecretary to be appointed by the Secretary
Members	Director, Renewable Energy Management Bureau (REMB) Director, Administrative Services (AS) Director, Financial Services (FS)

The Committee shall be responsible for the administration of the RETF which shall include its sourcing, collection, utilization and monitoring. As such it shall be undertaking the following functions:

- (a) Develop and implement a competitive and transparent method of selecting projects to be funded by the RETF;
- (b) Recommend for the approval by the Secretary or his/her authorized representative, the projects eligible to be funded by the RETF;
- (c) Formulating, along with the entities mentioned in Section 34 of the DC No. DC2009-05-0008 and in Section 3 hereof, the necessary mechanism for the transfer of funds to the RETF;
- (d) Open with an existing GFI a special trust account which shall be exclusively used for the RETF;
- (e) Conduct regular meetings in order to monitor the implementation of this Guidelines; and
- (f) Perform such other tasks as may be necessary to accomplish the foregoing functions.

In the performance of these functions, the Committee may be assisted by a technical working group and secretariat composed of personnel from REMB, AS and FS.

In addition to performing other tasks which may be assigned in furtherance of this Guidelines, the following bureau/services, shall assist the Committee in the performance of its functions in the following manner:

REMB

- (a) Monitor the implementation of the RETF-funded projects; and
- (b) Collect information, education, and communication campaign on the RETF.

AS

- (a) Facilitate the opening of a special trust account which shall be exclusively used for the RETF;
- (b) Collect and/or receive deposits, contributions, grants, and donations in favor of the RETF;
- (c) Prepare checks to fund projects approved in accordance with Section 2 hereof;
- (d) Monitor the collections for the RETF;
- (e) Submit timely reports to the Committee on the monthly collections and disbursements to the concerned operating units for monitoring purposes; and
- (f) Facilitate the transfer of RETF to qualified beneficiaries.

FS

- (a) Maintain a database for the collections and disbursements made under the RETF;
- (b) Conduct financial audits of the utilization of the RETF, in accordance with the existing government accounting and auditing rules and requirements;
- (c) Issue Certificates of Availability of Funds involving the RETF;
- (d) Process the disbursement vouchers involving the RETF;
- (e) Record all transactions involving the RETF; and
- (f) Submit monthly reports to the Committee on the RETF's financial status.

Section 6. Separability Clause.

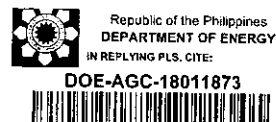
If for any reason, any provision of this Department Order is declared unconstitutional or invalid, such parts which are not affected thereby shall remain in force and effect.

Section 7. Effectivity.

This Department Order shall take effect immediately.

Bonifacio Global City, Taguig City _____ 2018


ALFONSO G. CUSI
Secretary



OCT 23 2018