



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

DEPARTMENT ORDER NO. D02005-12-023

**DIRECTING THE ADOPTION OF CONTINGENCY MEASURES TO AVERT  
A POWER BLACKOUT IN THE CITY OF ILOILO**

**WHEREAS**, Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act" or "EPIRA", declared it the policy of the State "to ensure the quality, reliability, security and affordability of the supply of electric power..." and "to protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;"

**WHEREAS**, the Department of Energy ("DOE"), created under Republic Act No. 7638, as amended by Republic Act No. 9136, is the government agency mandated to "[e]nsure the reliability, quality and security of supply of electric power..."

**WHEREAS**, due to accumulated unrecovered operating costs even prior to December 2005, the generation company supplying the electricity requirements of the City of Iloilo faces the prospect of fuel supply interruption and thus consequently suspension of its operations;

**WHEREAS**, considering that the City of Iloilo is a self-contained area dependent fully on embedded power generation for its supply of electricity, such suspension of operations will result in complete power blackout in the area causing significant adverse effects on the businesses, industries, social services and residents therein;

**WHEREAS**, ongoing discussions amongst the DOE, other concerned government agencies, and the power distribution and generation companies supplying the electricity requirements of the City of Iloilo highlighted the urgent need to adopt certain contingency measures to avert any state of emergency in Iloilo City and such widespread damage to the Philippine economy as a result of the critical power situation in the area;

**NOW, THEREFORE**, premises considered, the DOE hereby directs the following entities to hereby coordinate with the DOE and extent full assistance in adopting the following contingency measures to address the critical power situation in the City of Iloilo, without prejudice to such other measures as the DOE Secretary may hereafter direct:

- (1) The National Power Corporation ("NPC") shall immediately assist the power generation company in or supplying power to the island of Panay in their fuel supply requirements, including, for this purpose, enter into arrangements or agreements with the affected power generation company to enable the latter to obtain from NPC's available and/or excess fuel supply, based on reasonable terms and conditions as the parties may later on agree.
- (2) The National Transmission Company ("TransCo") and NPC shall at once coordinate with and assist the power distribution utility and generation company serving the island of Panay to such emergency procedures, including putting in effect the directive of the Energy Regulatory Commission's Order in ERC Case No. 2005-043RC, dated 14 December 2005, directing the Panay Electric Company, Inc. "to enter into a contract for ancillary services and to connect to the Cebu-Negros-Panay Grid at the soonest in order to avoid in the future a recurrence of this electric crisis situation brought about by the isolation of PECO from the said grid..."

- (3) All DOE-attached agencies and government owned and controlled corporations are hereby directed to extend such assistance as may be directed by the DOE Secretary in the implementation of this Department Order.

All orders, rules, regulations, issuances, or parts thereof, which are inconsistent with this Department Order are hereby repealed or modified accordingly.

This Department Order shall take effect immediately in view of the emergency situation and shall also be subject to publication in the Official Gazette.

Fort Bonifacio, Taguig, Metro Manila, 15 December 2005.



**RAPHAEL P. M. LOTILLA**  
Secretary