



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT ORDER NO. DO2011-08-0009

**"ESTABLISHING AND PUBLISHING OF DATA ON NATIONAL GRID EMISSION
FACTOR AS BASELINE REFERENCE FOR CLEAN DEVELOPMENT MECHANISM -
ENERGY RELATED PROJECTS"**

WHEREAS, Clean Development Mechanism (CDM) is a mechanism devised by the United Nations Framework Convention on Climate Change (UNFCCC) under the Kyoto Protocol to mitigate the threat of global warming resulting from the release of greenhouse gases (GHG);

WHEREAS, both UNFCCC and Kyoto Protocol were signed and ratified by the Philippines as a Non-Annex I Party;

WHEREAS, Annex I Parties include industrialized countries plus countries with economies in transition listed as such in the UNFCCC, while Non-Annex I Parties include developing countries, least industrialized countries and countries not listed under Annex I of the UNFCCC;

WHEREAS, Article 12 of the Kyoto Protocol provides the CDM as a means for Annex I Parties in achieving compliance with their quantified emission limitation and reduction, and for Non-Annex I Parties in achieving sustainable development through GHG reduction project activities;

WHEREAS, Executive Order No. 320 dated June 25, 2004 states that the Department of Environment and Natural Resources (DENR) shall be the Designated National Authority (DNA) for CDM and the Department of Energy (DOE) to take the lead role in the evaluation of CDM energy-related projects;

WHEREAS, DENR Administrative Order No. 2005-17 or the Rules and Regulations Governing the Implementation of Executive Order No. 320 created the Technical Evaluation Committee (TEC) for Energy - Related Projects to be chaired by a duly-appointed representative of the DOE;

WHEREAS, DOE Special Order No. 2004-07-023 dated July 9, 2004 directs the Energy Utilization Management Bureau (EUMB) to administer all energy-related matters relating to CDM including, but not limited to, the identification, development and implementation of CDM projects on energy efficiency, alternative fuels, renewable energy, and natural gas, among others;

WHEREAS, DOE Department Order No. DO2005-11-090 created the DOE TEC composed of the Undersecretary (supervising the EUMB) as Chairperson, Assistant Secretary as the Alternate and Directors of EUMB, Energy Resource and Development Bureau (ERDB), Electric Power Industry Management Bureau (EPIMB), Energy Policy and Planning Bureau

(EPPB), and Legal Services (LS) as members, to conduct the evaluation and endorsement of CDM energy-related projects;

WHEREAS, computation of carbon credits from CDM energy-related projects follows an approved methodology using National Grid Emission Factor (NGEF) data and information supplied by EPIMB;

WHEREAS, in order to facilitate the processing and approval of the CDM application, the NGEF must be established to serve as a benchmark in computing GHG reduction and equivalent carbon credits related to grid-connected electricity generation from CDM-energy related projects;

WHEREAS, to provide authoritative reference to CDM project proponents, developers, validators, and verifiers in the calculation of baseline data for emission reduction energy-related project activity, there is a need to publish the NGEF in DOE official publications i.e., Philippine Energy Plan (PEP) and DOE website;

WHEREAS, EPPB is tasked to formulate the publication of the PEP for the stakeholders of the energy sector with the inclusion of the regularly updated NGEF using the current power statistics;

NOW, THEREFORE, in view of the foregoing provisions, this Department Order is issued:

Section 1. *The National Grid Emission Factor (NGEF)*. The National Grid Emission Factor measures the per grid standard amount of GHG emitted in relation to the amount of activity performed on such grid.

Section 2. *Recognition of NGEF as CDM Reference for Energy-Related Projects*. The NGEF is hereby recognized as reference in the baseline calculation of energy-related GHG emission reduction projects for CDM purposes in order to determine whether a proposed CDM project activity will actually result in the reduction of GHG emission.¹ The NGEF shall be calculated following the Guidelines provided by the CDM-DNA, which is based on the approved methodology by the CDM Executive Board.

Section 3. *Functions of Concerned DOE Units*. In addition to the duties and responsibilities provided in Department Order No. DO2005-11-090, the TEC members and other concerned DOE units shall have the following functions:

3.1 The Electric Power Industry Management Bureau

- a. Secure power generation data from Generating Companies and other relevant entities to be used in the calculation of NGEF and maintain its quality and integrity;
- b. Calculate and update annually the NGEF for the Luzon-Visayas combined grid and Mindanao grid which should be posted in the DOE website; and,
- c. Endorse the calculated NGEF to EPPB for publication in the Philippine Energy Plan (PEP) through issuance of memorandum duly signed by the Bureau Director.

¹ CDM Baseline Construction for the Electricity Grids in the Philippines.

3.2 The Energy Policy and Planning Bureau

- a. Prepare the write-up of the calculated NGEF provided by EPIMB;
- b. Ensure the inclusion and publication of the NGEF in the PEP; and,
- c. Update and publish as may be required the write-up related to NGEF.

3.3 The Information and Technology Management Services

- a. Create and develop a CDM sub-page in the DOE Website;
- b. Publish as may be required the NGEF in the CDM sub-page; and,
- c. Serve as a repository of related data and information utilized in the calculation and update of the NGEF for Luzon-Visayas combined grid and Mindanao grid.

3.4 The Energy Utilization Management Bureau

- a. Coordinate, administer and provide secretariat support to the DOE CDM-TEC and TWG; and
- b. Endorse to DENR as the CDM National Authority the established NGEF.

3.5 The Energy Resource Development Bureau

- a. Provide technical advice and guidance within its capability;
- b. Review all documents and provide comments and suggestions; and,
- c. Support the timely execution of the project and suggest opportunities to realize its success.

3.6 The Legal Services

- a. Handle the legal matters and related concerns; and,
- b. Provide advice to the concerned offices on any issue related to the implementation of the project.

The TEC may call upon other offices in the DOE for assistance pertaining to the aforementioned tasks.

Section 4. Effectivity. This Department Order shall take effect immediately and shall remain in effect unless revoked or modified accordingly.

Issued in Fort Bonifacio, Taguig City, Metro Manila, this **22** day of August 2011.



JOSE RENE D. ALMENDRAS

Secretary



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