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

BAGONG PILIPINAS

DEPARTMENT CIRCULAR NO. DC 2025-04-0007

REVISED IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 11646, OTHERWISE KNOWN AS "THE MICROGRID SYSTEMS ACT"

WHEREAS, Section 2 of Republic Act (RA) No. 9136 or the "*Electric Power Industry Reform Act*" (EPIRA), declares that it is the policy of the State, among others, to: (i) ensure and accelerate the total electrification of the country; and (ii) ensure quality, reliability, security, and affordability of the supply of electric power;

WHEREAS, RA 11646, titled "*An Act Promoting the Use of Microgrid Systems to Accelerate the Total Electrification of Unserved and Underserved Areas Nationwide*" also known as the "Microgrid Systems Act" (MGSA), declares that it is the policy of the State to: (a) Pursue sustainable rural development and poverty reduction towards nation-building through energy access for all; (b) Accelerate total electrification and ensure the provision of quality, reliable, and secure electricity service at reasonable rates in unserved and underserved areas; (c) Promote private sector participation in the electrification of unserved and underserved areas; (d) Provide a competitive environment for different kinds of energy sources while prioritizing low-cost, indigenous, renewable, and environment-friendly sources of energy; and (e) Ensure the adoption of a dynamic regulatory environment that does not impair nor inhibit End-users from accessing or enjoying the benefits of technologies and innovations in the electric power industry;

WHEREAS, on 24 May 2022, pursuant to Section 26 of the MGSA, the Department of Energy (DOE) promulgated Department Circular (DC) No. DC2022-05-0017 governing the rules and regulations to implement the provisions of the said Act;

WHEREAS, during the conduct of various activities for the implementation of the MGSA, such as the deliberation on the Local Total Electrification Roadmap to prepare the 2023-2032 National Total Electrification Roadmap (NTER) and, the conduct of the Competitive Selection Process for Microgrid Service Provider (CSP for MGSP), the DOE, in order to effectively implement its Total Electrification plans and program, has recognized the need to enhance the Implementing Rules and Regulations (IRR) of RA 11646, to further streamline the necessary processes and provide operational guidelines for continuity in the delivery of basic services to target beneficiaries;

WHEREAS, upon formulation of the draft revised IRR, the DOE posted the same on the DOE website starting 13 August 2024 and conducted a hybrid public consultation on 06 September 2024 to solicit comments and recommendations from interested stakeholders; and

WHEREAS, the DOE, after having considered the comments and recommendations received from stakeholders, has finalized the revised IRR.

NOW, THEREFORE, in consideration of the foregoing, the DOE hereby issues and promulgates the Revised IRR of RA 11646, as follows:

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations
APR 29 2025
REGISTERED 25-0479
ONAR Registration
TIME: 905 BY:

PART I. General Provisions

Section 1. Title

This DC shall be known as the *"Revised Implementing Rules and Regulations of Republic Act No. 11646, otherwise known as the 'Microgrid Systems Act',"* and hereinafter referred to as the "IRR".

Section 2. Declaration of Policies

It is hereby declared the policy of the State to:

2.1. Pursue sustainable rural development and poverty reduction towards nation-building through energy access;

2.2. Accelerate total electrification and ensure the provision of quality, reliable, secure, and affordable supply of electric power in Unserved and Underserved Areas;

2.3. Promote private sector participation in the electrification of Unserved and Underserved Areas;

2.4. Provide a competitive environment and level playing field for different kinds of energy sources with a preference for low-cost, Indigenous, renewable, and environment-friendly sources of energy; and,

2.5. Ensure the adoption of a dynamic regulatory environment that allows End-users to benefit from technologies and innovations in the electric power industry.

Section 3. Scope

In accordance with Section 3 of the Act, this IRR shall apply to the development of Microgrid Systems in Unserved and Underserved Areas nationwide.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Section 4. Definition of Terms

As used in the Act and this IRR, the following terms shall be defined as follows:

4.1. **Annual Work Plan (AWP)** refers to the yearly work program of Distribution Utilities (DUs) for the implementation and completion of electrification targets set in a year to be carried out by the DU. The AWP shall indicate the timeline, electrification strategies, measurable deliverables, work scope, and performance milestones to achieve energization of the target number of households for each year;

4.2. **Authority to Operate (ATO)** refers to the document issued by the Energy Regulatory Commission (ERC) to the Microgrid System Provider (MGSP),

№25-0479

which shall constitute the latter's license to provide integrated power generation and distribution services to unserved or underserved areas;

4.3. **Competitive Selection Process for Microgrid System Providers (CSP for MGSP)** refers to the procedure wherein an entity is awarded the contract to provide integrated power generation and distribution services to an unserved or underserved area through a transparent and competitive procedure, such as but not limited to, an auction, unsolicited proposal, or Swiss challenge, taking into consideration the requirements of the Act and other applicable laws;

4.4. **Decentralized Power Generation (DPG)** refers to small-scale power generation facilities that operate locally and are connected to the Distribution System of the microgrid or End-user that could be aggregated to provide electric power necessary to meet demand, including, but not limited to, mini-wind turbines connected to a microgrid, energy storage, and solar photovoltaic rooftop of an End-user;

4.5. **Distribution System** refers to the system of wires and associated facilities extending between the delivery points on the transmission, sub-transmission system, or power generation facility connection and the point of connection to the premises of the End-user, whichever is applicable;

4.6. **Distribution Utility (DU)** refers to any electric cooperative, private corporation, government-owned utility, or existing local government unit that has a franchise to operate a Distribution System including those whose franchise covers economic zones;

4.7. **DOE Declared Unserved and Underserved Area** refers to the list of areas the DOE declared as Unserved or Underserved Areas, considering each DU's Local Total Electrification Roadmap (LTER) and Distribution Development Plan (DDP). This includes the DU Identified Unserved Areas which the DU plans to be energize by itself through a microgrid system;

4.8. **DU Microgrid System Provider (DU MGSP)** refers to an entity owned and controlled, wholly or partly, by the DU, or a Joint Venture (JV) with a DU or a private entity owned and operated by a DU, in a DOE-Declared Unserved and Underserved Area;

4.9. **DU Operated Microgrid System (DU MGS)** refers to a Microgrid System owned and operated by a DU in DU Identified Unserved Areas in its LTER;

4.10. **Electric Cooperative (EC)** refers to a DU organized pursuant to Presidential Decree No. 269, as amended, or as otherwise provided in the Act;

4.11. **End-user** refers to any natural or juridical person requiring the supply and delivery of electricity for its own use;

CERTIFIED TRUE COPY
Department of Energy
4/16/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

N°25-0479

4.12. **Expression of Interest (EOI)** refers to a document or formal communication made by an entity or organization to express their interest to participate in the conduct of CSP as an MGSP, which shall include the specific area/lot they intend to serve based on the latest published list of the DOE Unserved and Underserved Areas;

4.13. **Grid** refers to the high voltage backbone system of interconnected transmission lines, substations, and related facilities, located in each of Luzon, Visayas, and Mindanao;

4.14. **Grid-tied Microgrid System** refers to a Microgrid System that is electrically connected to the Distribution System of a DU and can operate in synchronized mode or in Island Mode. For clarity, a Grid-tied Microgrid Systems is in synchronized mode when its generation facility or DPG operates in the same frequency at its connection point to the Distribution System of a DU, and allows the Grid-tied Microgrid System to supply to or draw power from the grid through the Distribution System;

4.15. **Island Mode** refers to a Grid-tied Microgrid System operating at all times as a stand-alone system in supplying and delivering electric power to connected End-users;

4.16. **Isolated Microgrid System** refers to a Microgrid System that is not electrically connected to a Distribution System of a DU and is operating as a stand-alone system in supplying and delivering electric power to connected End-users;

4.17. **Joint Venture (JV)** is a group of two (2) or more persons/entities that intend to be solidarily responsible or liable under a particular contract and/or for obligations under the Act, the IRR and applicable rules and regulations;

4.18. **Local Total Electrification Roadmap (LTER)** refers to a DU's comprehensive 10-year strategic plan to accelerate total electrification in its franchise area, to be updated annually;

4.19. **Microgrid System** refers to a group of interconnected loads and a generation facility or DPG with clearly defined electrical boundaries that acts as an integrated power generation and Distribution System, whether or not connected to a distribution or transmission system;

4.20. **Microgrid System Provider Service Contract (MSC)** refers to the contract between the MGSP and the National Power Corporation (NPC) whereby the MGSP performs the missionary electrification function on behalf of the NPC and provides integrated power generation and distribution services in an unserved or underserved area, and to receive subsidy whenever applicable;

4.21. **Microgrid System Provider (MGSP)** refers to a natural or juridical person whose business includes the installation, operation, and maintenance of Microgrid Systems in unserved or underserved areas nationwide;

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

4.22. **MGSP Proponent** refers to the entity expressing interest to participate in a CSP for MGSP to develop and operate a Microgrid System and provide the electricity service in Unserved or Underserved Areas;

4.23. **National Total Electrification Roadmap (NTER)** refers to a comprehensive national strategic plan including a work plan to accelerate total electrification in the country taking into account the various LTERs and DDPs. It shall be incorporated in the Philippine Energy Plan;

4.24. **NPC Graduation Plan** refers to a comprehensive and detailed strategy of NPC to attract private sector participation in areas purely served by NPC;

4.25. **Philippine Distribution Code (PDC)** refers to the set of rules, requirements, procedures, and standards governing DUs and users of the Distribution System in the operation, maintenance, development, connection and use of the Distribution Systems in the Philippines. It also defines and establishes the relationship of the Distribution System with the facilities or installations of the parties connected thereto;

4.26. **Underserved Area** refers to a currently served area whose supply of electricity is less than twenty-four (24) hours daily because of the non-implementation of the approved capital expenditure projects, noncompliance with the service parameters of the PDC, or any other reason resulting in an overall failing mark based on ERC's latest annual technical evaluation of the performance of Distribution Systems;

4.27. **Universal Charge for Missionary Electrification (UC-ME)** refers to the portion of the non-by passable charge passed on and collected from all End-users on a monthly basis by the DUs pursuant to the EPIRA, a portion of which is allocated for the provision of integrated power generation and distribution services in Unserved and Underserved Areas not connected to the grid or within a franchise area where the Distribution System is not connected to the grid; and

4.28. **Unserved Area** refers to an area, upon the effectivity of the Act, with no electricity access, no Distribution System lines, no home power systems, no connection to any microgrid system, or for which no distribution grid extension has been developed or implemented by the DU.

CERTIFIED TRUE COPY
Department of Energy
4/17/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

PART II. Identification and Declaration of Unserved and Underserved Areas

Section 5. Identification of Unserved and Underserved Areas

Unserved and Underserved Areas shall be identified, validated and reported to the DOE as follows:

5.1. **The LTER.** Consistent with the Section 15 of the Act, the DUs shall conduct an inventory of Unserved and Underserved Areas in their respective franchise areas. The output of this inventory shall be validated and on the

№25-0479

basis thereof and the DUs shall prepare a list containing details to be indicated in the LTER, including but not limited to, number of households, planned or proposed electrification solution, timeline of energization, source of funding, details on the area and other relevant information, in accordance with the latest LTER Guidelines for DUs. The list shall also indicate the target date of the distribution grid extension project to be implemented by the DU in the Unserved and Underserved Areas. In the case of ECs, the list shall be reviewed and finalized by the National Electrification Administration (NEA) for endorsement and submission to the DOE every 15th of March.

Areas within the DU's franchise with access to electricity provided by non-regulated entities such as Non-Government Organizations (NGOs), multi-purpose cooperatives, among others, shall be declared by the DU in its LTER as Unserved or Underserved Areas, as may be applicable.

5.2. **NPC Graduation Plan**. For areas where NPC provides both generation and distribution services, the NPC shall submit every 15th of March the validated and detailed list of target households for electrification, planned or proposed solution for achieving 24/7 electricity services, timelines, and other details of the area. This shall form part of the NPC's Graduation Plan for such areas for consideration of the NTER.

5.3. **MGSP Electrification Roadmap**. For areas with generation and distribution services being provided by an existing MGSP, such MGSP shall submit every 15th of March the validated and detailed list of target households for electrification, planned or proposed solution for achieving 24/7 electricity services and 100% electrification level, timelines and other details of the area. For clarity, this provision shall cover all Qualified Third Parties (QTPs) providing alternative electric service pursuant to Section 59 of the EPIRA.

5.4. **End-user Petition.** The DOE shall receive at any time and verify petitions from End-users, who are currently residing in an Unserved or Underserved Area not identified or included by the DU in its LTER and not declared by the DOE as such in the NTER. To this end, the DOE shall develop the communication plan or system to encourage and facilitate reporting of areas which may be declared as Unserved or Underserved Area.

The DOE, in coordination with the concerned DU, NPC, MGSP and other relevant government instrumentalities, shall verify the subject area/s for possible inclusion in the list of DOE Declared Unserved and Underserved Areas.

Within thirty (30) calendar days from the receipt of the petition, the DOE may conduct its own verification or may require the DU, NPC or MGSP to submit a verification report and its proposed action to address the End-user Petition.

Based therefrom, the DOE shall update and publish its NTER with all Declared Unserved and Underserved Areas. The same shall be reflected

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

in the concerned DU's LTER, or the NPC/MGSP's target electrification plan. In case the petition, verification and the declaration were made after the publication of the NTER, the subsequent issuance of the NTER shall be updated by the DOE to include said areas.

5.5. **Nomination of Areas by Other Interested Entities Not included in the NTER**

The DOE may consider the petition or information submitted by a non-resident or other interested entity/ies, including MGSP Proponents intending to submit an Unsolicited Proposal, subject to DOE validation and evaluation. Similarly, after validation, the DOE shall include the area subject to Section 6 of this IRR.

Section 6. Declaration and Publication of Unserved and Underserved Areas

6.1. The list of validated Unserved and Underserved Areas, identified pursuant to Section 5 of this IRR, shall be consolidated and declared by the DOE based on the NTER not later than September of every year.

6.2. The DOE shall publish an updated list of Unserved and Underserved Areas upon the receipt and validation of areas nominated by End-users or other interested parties. Any subsequent issuance of the NTER shall be updated by the DOE to include said areas.

Section 7. Waiver of Obligation to Provide Distribution Services and Connections and to Supply Electricity in Unserved and Underserved Areas

7.1. The DOE Declared Unserved and Underserved Areas or DU Identified Unserved Areas which are awarded to MGSPs pursuant to Sections 13 and 14 of this IRR shall be deemed waived by the DU, insofar as its obligation to provide distribution services in those areas, connect to End-users to its facilities and supply them with electricity.

7.2. The waiver shall not transfer, abandon, or modify the DU's franchise but bestows upon the awarded and compliant MGSP the exclusive right and obligation during the existence of the MSC, on behalf of the NPC, to provide integrated power generation and distribution services to the Unserved and Underserved Areas during the period of the MSC, consistent with the NPC's missionary electrification function.

7.3. Any subsequent changes in the nature of the franchise to which the awarded areas belong shall not modify nor alter the effectivity and the terms and conditions of the MSC and the deemed waived nature of the awarded areas.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

PART III. Guiding Principle, Qualification and Responsibility of MGSP

Section 8. Guiding Principle of MGSP

8.1. The MGSP shall cover the design, construction, installation, operation, and maintenance of the Microgrid System including associated services, such as customer billing and collections, to provide 24/7 electricity services for all existing and future households in the selected area/s and to operate in the least-cost manner.

8.2. The MGSP shall ensure the attainment of 100% household electrification in the area and shall maintain a minimum RE generation of fifty (50%) percent over the project term.

8.3. The ownership and operation of a Microgrid System shall not be considered a public utility operation and shall not be required to secure a franchise from Congress. It shall be a regulated business under the jurisdiction of ERC for the issuance of an ATO and approval of the MSC under this Act, this IRR and other relevant laws.

8.4. Any MGSP, awarded by the DOE, shall automatically qualify as Energy Project of National Significance consistent with the attributes stipulated under Executive Order No. 30, series of 2017. Further, the award of MGSP shall constitute the issuance of a Renewable Energy Service Contract corresponding to the renewable energy component of the Microgrid System, subject to Section 17.1 hereof.

8.5. Any MGSP, authorized by the ERC, shall be entitled to impose rates through ERC-approved Subsidized Approved Retail Rate and collect the MGSP Full Cost Recovery Rate (FCRR) and Universal Charge for Missionary Electrification (UC-ME) administered by NPC.

8.6. Any MGSP may provide integrated power generation and distribution services pursuant to Section 5 of the Act: *Provided*, that only Isolated Microgrid Systems and Grid-tied Microgrid Systems operating in Island Mode are qualified for subsidy, consistent with Section 10 of the Act. For clarity, Island Mode refers to a Grid-tied Microgrid System operating as a stand-alone system in supplying and delivering electric power to connected End-users.

8.7. Any entity, including private corporations, local government units, cooperatives, NGOs, generation companies, DUs, and their subsidiaries, that qualify to be MGSP shall not subsidize their respective MGSPs and shall maintain a separate account for such business undertaking pursuant to ERC's applicable rules and guidelines on business separation and unbundling, whenever applicable.

8.8. DUs shall be allowed to impose a separate rate in DU Identified Unserved Areas served by a DU MGS, or in DOE Declared Unserved and

CERTIFIED TRUE COPY
Department of Energy
4/9/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Underserved Areas served by a DU's MGSP: *Provided*, that any cross-subsidy between the End-users of the DU MGS or the DU's MGSP and the other End-users of the DU shall be prohibited.

8.9. The MGSPs shall be exempt from the following:

8.9.1. The public listing requirement under Section 28 of the EPIRA; and

8.9.2. The market share limitation requirement under Section 45(a) of the EPIRA.

Section 9. Eligibility Requirements

9.1. Ownership and Joint Venture (JV)

9.1.1. The MGSP shall be owned by corporations duly organized under the laws of the Philippines. In case of foreign corporations, partnerships, consortiums, joint ventures, or entities intending to engage as MGSP in the Philippines, they shall be required to incorporate pursuant to Philippine laws. They shall likewise be required to submit their registration or certification pursuant to the law of the country where their principal office is located.

9.1.2. Persons/entities forming themselves into a JV.

In case of a DU's JV with a private entity, the DU shall own at least fifty-one (51%) of the capital. To this end, the limitations under Section 9.1.1 hereof shall also apply.

The nationality requirements shall be in accordance with the applicable laws, rules, and regulations.

9.2. Experience and Technical Requirements

9.2.1. The MGSP shall prove its technical capability and experience in operating distribution, generation, and other related systems required for the operation of a Microgrid System and shall have a minimum experience of two (2) years in a similar size project.

9.2.2. The MGSP shall organize and maintain a pool of key personnel to execute design, engineering, and construction works, and set up appropriate operations and management systems.

9.2.3. The MGSP shall not have a record of unsatisfactory performance, abandonment, negligence or similar acts in the operation of similar projects awarded by the DOE or authorized entities.

CERTIFIED TRUE COPY
Department of Energy
4/15/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

9.3. Financial Requirements

The MGSP shall establish sufficient capital and liquidity to prove its capacity to assume its obligations under the MSC and applicable laws, rules and regulations and to finance the implementation, completion and operation of the Microgrid System, through the submission of complete and valid requirements as stated in Annex "A".

9.4. Any MGSP Proponent participating in the conduct of any form of CSP for MGSP commits to be bound by the terms of the MSC and relevant regulatory requirements.

9.5. The checklist of the requirements of eligibility of MGSP indicated in Annex "A".

Section 10. Responsibility of MGSP

The MGSP shall:

10.1. Secure the necessary permits and licenses from all relevant government agencies;

10.2. Design, construct, install, operate, and maintain its Microgrid System in accordance with the MSC, the Act, and other applicable laws, rules, regulations, and codes;

10.3. Supply the load requirements of its area of operation, faithfully implement its electrification work program, and comply with all its obligations under the MSC, if applicable;

10.4. Comply with all the performance standards for the institutional, financial, technical, environmental, and other aspects of the ownership and operations of MGSP, as determined under existing laws, rules and regulations, and all the provisions of the MSC with the NPC.

10.5. Comply with applicable rules, policies and guidelines promulgated by the DOE and the ERC, relevant to its obligations as MGSP; and

10.6. Prepare and submit the reports required by the ERC and DOE pursuant to their powers under Sections 11 and 12 of the Act, respectively; and

10.7. Ensure End-user safety and protection at all times.

CERTIFIED TRUE COPY
Department of Energy
4/15/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

PART IV. Procedures for the Electrification of Unserved and Underserved Areas through Microgrid System

Section 11. General Principles

11.1. The electrification of Unserved and Underserved Areas shall be in accordance with the following:

11.1.1. Through the development of a Microgrid System by an MGSP for areas awarded to it in the DOE's conduct of CSP for MGSP for Unserved or Underserved Areas declared by the DOE in the NTER not later than September of every year;

11.1.2. Through the DU's initiative to develop a microgrid in its identified Unserved Areas or other electrification solution as indicated in its LTER. In case the DU plans to develop a Microgrid System, the area shall be included in the DOE's list of Unserved and Underserved areas published in the NTER, which may be open for proposal from other interested MGSP within thirty (30) calendar days from the DOE's publication of the NTER. The DOE may accept proposals from any interested MGSP expressing interest to develop and operate a microgrid system/s in the said DU Identified Unserved Area/s subject to a Comparative; and

11.1.3. Proposal by the DU consistent with Section 14 hereof.

11.2. The conduct of CSP for MGSP by the DOE or its authorized entity for all Unserved and Underserved areas shall:

11.2.1. Prioritize low-cost, indigenous, renewable, and environment-friendly sources of energy;

11.2.2. Be simple, uniform, streamlined, and transparent. The entire procedure shall be no longer than ninety (90) calendar days from:

11.2.2.1. Pre-qualification of MGSPs which include verification of financial and legal eligibility of the MGSPs and its submission and acceptance by the SBAC of the complete technical proposals including the FCRR, until the submission to the ERC of the awarded contract for the DOE declared Unserved and Underserved areas; and

11.2.2.2. The publication by the DOE of the NTER which includes the DU Identified Unserved Areas.

11.2.3. The CSP for MGSP may be conducted using a secure electronic portal.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

Section 12. Authorized Entity for the Conduct of CSP for MGSP

The DOE shall conduct the CSP for MGSP unless it has authorized the NPC or NEA for the DOE Declared Unserved and Underserved Areas and the DU Identified Unserved Areas in the DU franchise area, pursuant to this IRR and subject to the delegated authority given by the DOE. For this purpose, the DOE shall establish:

12.1. An MGSP Special Bids and Awards Committee (SBAC) to spearhead and manage the CSP for MGSPs.

12.1.1. The MGSP SBAC shall be composed of at least five (5) members with knowledge and experience in procurement, finance or economics, law, and the Philippine electrical system.

12.1.2. The MGSP SBAC shall comply with the policy and procedures in the conduct of CSP for MGSP as provided for in this IRR.

12.1.3. The term of the MGSP SBAC shall be for a period of three (3) years unless otherwise replaced due to resignation, reassignment, and other reasons. The reconstitution and replacement of a member shall be made through a Special Order by the DOE Secretary.

12.1.4. The MGSP SBAC members shall be independent and without affiliation or interest whatsoever either as an investor, stockholder, officer, or director, in any company or entity intending to be MGSP in any of the DOE Declared Unserved and Underserved Areas and DU Identified Unserved Areas.

12.1.5. The Chair and Vice-Chair shall be appointed by the DOE Secretary through a Special Order for this purpose.

12.1.6. The proceedings of the MGSP SBAC shall adhere to the following:

12.1.6.1. A quorum of the MGSP SBAC shall be composed of a simple majority of all its voting members of;

12.1.6.2. The Chair shall only vote in case of a tie; and

12.1.6.3. No member of the MGSP SBAC shall influence any decision of the MGSP SBAC to favor any MGSP Proponent.

12.1.7. MGSP SBAC may allow the presence of observers during the conduct of CSP for MGSP subject to its guidelines. The absence of observers, however, will not nullify the recommendations of the MGSP SBAC on the CSP for MGSP.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

N°25-0479

12.2. An MGSP SBAC Technical Working Group (TWG) shall assist the MGSP SBAC in the performance of its functions.

12.2.1. The MGSP SBAC TWG shall be appointed and composed of DOE permanent employees with relevant technical, financial or legal expertise and experience;

12.2.2. The DOE may consider the participation of representatives from other relevant agencies such as NEA and NPC;

12.2.3. The MGSP SBAC TWG Head shall be appointed by the DOE Secretary or his/her delegated authority, with at least the position of Director III;

12.2.4. The MGSP SBAC TWG shall assist the MGSP SBAC in all the activities necessary to complete the conduct of CSP for MGSP including the preparation of the Invitation to Bid (ITB) and Terms of Reference (TOR), eligibility screening, site verifications, technical, financial, and legal evaluation of bids, and post-qualification, among others; and

12.2.5. The MGSP SBAC TWG members shall be independent and without affiliation or interest whatsoever either an investor, stockholder, officer or director, in any company or entity intending to be MGSP in any of the DOE Declared Unserved and Underserved Areas and DU Identified Unserved Areas.

12.3. An MGSP SBAC Secretariat shall assist the MGSP SBAC and MGSP SBAC TWG in the conduct of the CSP for MGSP.

12.3.1. The MGSP SBAC Secretariat shall be composed of personnel from the Electric Power Industry Management Bureau (EPIMB) .

12.3.2. The MGSP SBAC Secretariat shall provide administrative support to the MGSP SBAC for this purpose and serve as the keeper of all records and documents relating to all CSP for MGSP conducted.

12.3.3. The MGSP SBAC Secretariat shall fully document each step of the CSP for MGSP and prepare and keep written minutes and unedited video recordings of all the MGSP SBAC meetings and proceedings.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Section 13. Procedures for the Conduct of CSP for DOE Declared Unserved and Underserved Areas

The following shall govern the general procedures for the MGSP SBAC's conduct of CSP for MGSP for the DOE Declared Unserved and Underserved Areas:

№25-0479

13.1. No later than the 15th of July of every year, the preparatory activities for the CSP for MGSP shall commence which shall include the drafting of the Bidding Documents, such as the ITB, TOR, and the Schedule of activities, among others.

13.2. The Bidding Documents shall conform with the minimum specification indicated in Annex "A". The MGSP SBAC may adopt supplemental provisions in the Bidding Documents as necessary, if these are consistent with the provisions of the Act and this IRR.

13.3. The MGSP SBAC may undertake relevant activities such as but not limited to investment forums, market sounding, area validations, among others, to prepare for the conduct of CSP for MGSP.

13.4. The MGSP SBAC shall post the schedule of CSP for MGSP on the ERC and DOE websites upon the publication of the NTER which shall be no later than September of every year.

13.5. Within thirty (30) calendar days from the posting of the schedule of CSP for MGSP, the MGSP SBAC shall publish the Bidding Documents and other documents necessary for the conduct of the CSP, including the areas offered for microgrid service at the ERC and DOE websites.

13.6. The CSP for MGSP shall be conducted for the areas published by the MGSP SBAC as indicated in the ITB which shall be based on the list of the DOE Declared Unserved and Underserved Areas in the NTER. The MGSP SBAC shall conduct a pre-qualification of all interested participants and only those pre-qualified MGSPs shall proceed with the submission of bid proposals on the time and date as indicated in the ITB.

13.7. The MGSP SBAC after opening the bids shall proceed with the determination of the winning MGSP using the evaluation criteria prescribed in the Bidding Documents. Bid/s that fail to meet all the requirements stated in the TOR be declared disqualified. Bid/s that meet all the requirements of the TOR shall be considered, provided that the proposal with the most responsive bid shall be declared as the winning bidder subject to a post-qualification process. In case of failure during the post-qualification process, the SBAC shall consider the post-qualification of the next most responsive bid.

13.8. A DU's MGSP may tender a lower offer in every CSP for MGSP it participates in within its franchise area unless otherwise provided in Section 17 of the Act, within seven (7) calendar days from the announcement of the winning MGSP in the CSP for MGSP: *Provided,* That such tender shall be submitted to the DOE or its authorized entity, whichever is applicable, and the winning MGSP.

13.9. The winning bidder shall energize the area within eighteen (18) months from the issuance of award and ensure its compliance with the MSC and

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

submission of complete requirements to ERC in relation to the application of MGSP Proponent for the issuance of ATO.

13.10. The entire procedure of the CSP for MGSP from the submission by the pre-qualified MGSP Proponents of the complete technical, financial, and legal requirements within the deadline set by the MGSP SBAC up to the submission to the ERC of the awarded contract shall be no longer than ninety (90) calendar days.

The detailed list of CSP for MGSP activities for the DOE Declared Unserved and Underserved Areas is provided in Annex "B".

Section 14. Procedures for the Conduct of CSP for DU Identified Unserved Areas

The following shall govern the general procedures for the MGSP SBAC's conduct of CSP for the DU Identified Areas:

14.1. Within thirty (30) calendar days from the DOE's publication of the NTER containing the list of DU Identified Unserved Areas wherein said DU intends to operate a Microgrid System, the DOE shall accept any proposal that may be submitted to it by any interested MGSP.

14.2. After the lapse of the thirty (30) calendar days, the DOE shall evaluate the proposals received in accordance with the procedure under Annex "C" including the qualification of the MGSP proponent pursuant to Section 9 of this IRR. Accordingly, the DOE shall publish all the qualified price offers.

14.3. The DU shall have the right to tender a lower all-in price offer within seven (7) calendar days after the DOE's publication of all the price offers it has received. In the event that the DU tenders a lower all-in price offer, it shall energize the DU Identified Unserved Areas through a DU-Operated Microgrid System (DU MGS) within eighteen (18) months from the award by the DOE. Accordingly, the DU shall cause the execution of the MSC with NPC, if applicable, and its approval by the ERC. The DU shall also secure the ATO from the ERC.

14.4. Should the DU be unable to tender a lower all-in price offer, the DOE shall award the area for electrification, to the MGSP with the lowest all-in price offer and the NPC shall enter into an MSC with such MGSP.

14.5. In the event there are no offers from any MGSP for a particular DU Identified Unserved Area, the DU shall energize the area through a DU MGS within eighteen (18) months from the lapse of the thirty (30) calendar day-period for any MGSP to tender an all-in price offer.

14.6. The entire process of the CSP from the publication by the DOE of the list of DU Identified Unserved Areas up to the award of the area to the DU MGS or the winning MGSP, as the case may be, shall be no longer than ninety (90) calendar days.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Nº25-0479

The detailed list of CSP for MGSP activities for the DU Identified Unserved Areas is provided in Annex "C".

Section 15. Procedures for the Acceptance of Unsolicited Proposals for Areas Nominated by Interested Entities

Pursuant to Sections 5.5 and 6 hereof, an Unsolicited Proposal (USP) may be submitted to the DOE subject to the following procedures:

15.1. The DOE has declared the area as an Unserved or Underserved Area and is not included in the conduct of CSP for MGSP pursuant to Section 13 of this IRR, or the area has been nominated, validated and declared as an Unserved or Underserved Area pursuant to Sections 5.4 and 5.5 of this IRR;

15.2. In the event that there is no awarded MGSP for such areas after the conduct of CSP, the DOE may accept a USP from any MGSP Proponent for the same area after its declaration of no award, subject to the process of USP evaluation pursuant to Section 15.3 of this IRR. Provided that, the USP may only be accepted before posting of the schedule for the next CSP round;

15.3. The evaluation of the USP and the conduct of the Swiss Challenge, including the qualifications of the MGSP Proponent, shall be in accordance with Annex "D" of this IRR;

15.4. The DOE shall award the area for electrification to the MGSP with the lowest all-in price offer. The MGSP shall execute the MSC with the NPC; and

15.5. The entire procedure of the USP shall in no case be longer than ninety (90) calendar days, reckoned from the opening of the Comparative Proposals up to the submission to the ERC of the executed MSC.

Section 16. Failure of CSP for MGSP

16.1. The CSP for MGSP is deemed successful when at least one (1) qualified bid is received. However, in the event that there are no participants and/or offers from any MGSP in the CSP:

16.1.1. For DOE Declared Unserved and Underserved Areas, the DOE may:

16.1.1.1. Endorse the areas for immediate NPC assumption of its missionary electrification mandate in said area; or

16.1.1.2. Conduct another round of CSP.

16.1.2. For DU Identified Unserved Areas, the DU shall energize the area through a DU MGS within eighteen (18) months from the

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

lapse of the thirty (30) calendar day-period for MGSPs to tender an all-in price offer.

16.2. In case of failure of DU to undertake the electrification of Unserved and Underserved Areas, the DOE shall include said areas in the subsequent conduct of CSP for MGSP.

Section 17. Template for the Notice of Award and Microgrid Service Contract (MSC)

17.1. The Notice of Award shall be issued to the winning bidder in any forms of the CSP and shall bear with it the Certificate of Energy Project of National Significance and the Renewable Energy Service Contract (RESC): *Provided*, that for the RESC to take effect, the MGSP shall submit within one hundred twenty (120) days, the following:

17.1.1. Duly Accomplished and Sworn Affidavit of Acquisition of Possessory Rights:

17.1.1.1. Annex L.3 of DC2024-06-0018 - Template Affidavit of Acquisition of Possessory Rights over the Private Lands for RE Service Contract Application; and

17.1.1.2. Annex L.4 of DC2024-06-0018 - Template Affidavit of Acquisition of Possessory Right over Public Lands for RESC Application.

17.1.2. Project Site Information: Includes the map and coordinates of the proposed renewable energy (RE) project site, using the PRS92 standard.

17.2. Further, the Notice of Award shall bear provisions on the exceptions of the winning MGSP from financial obligations, as required by applicable policies promulgated by the DOE and contractual obligations, as follows:

17.2.1. Financial Benefits to Host Communities pursuant to DC No. DC2018-08-0021 and its supplemental policy issuances; and

17.2.2. Developmental Assistance and Financial Assistance for Training Programs, Conferences, Seminar and other similar activities for the DOE's personnel pursuant to its contractual obligation under RE Service Contract.

17.3. The MSC shall contain the following minimum provisions:

17.3.1. A clear description of the scope of services to be offered by the MGSP, including the schedule for the target connections, and modalities of payment, among others;

17.3.2. The FCRR and an adjustment mechanism provision, if any, that promotes fair and reasonable consumer tariffs in accordance

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

with the level of service provided by the MGSP, subject to the approval of ERC;

17.3.3. Efficient allocation of risks;

17.3.4. The term of the MSC shall be commensurate to the recovery of the required investment of the MGSP but shall in no case exceed twenty (20) years. The term of the MSC shall in no way be affected by the amendment, expiration, or revocation of the franchise of the DU covering said area. A new DU awarded with a franchise to operate over said area shall ensure its obligations for the assumption and continuity of service in the area upon the expiration of the MSC;

17.3.5. The responsibility of the MGSP to ensure, at all times, consumer safety and protection;

17.3.6. The applicable service and safety standards that shall be followed, including under ERC Resolution No. 22, series of 2006, and its amendments or successor regulations; and

17.3.7. The solidary liability of entities or persons composing an MGSP that is a JV.

PART V. Regulatory Framework

Section 18. Approval of Full Cost Recovery Rate

18.1 The award by the DOE or its authorized entity of a microgrid service area to the MGSP, the execution of the MSC, and the issuance by the ERC of a certificate of acceptance of complete filing of application with the ERC shall comprise the provisional authority of the MGSP to start collection of the rate specified in the award, the MSC, and the application upon the start of the MGSP's commercial operation or the first delivery of electricity in the area.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

18.2 A hearing shall be scheduled and conducted by the ERC within thirty (30) calendar days from receipt of the complete application, upon publication and notice to all affected parties.

18.3 Upon its determination of the completeness of the application by the MGSP for the imposition of FCRR, the ERC shall issue a final decision within one hundred thirty-five (135) calendar days that the MGSP can already impose the rates it applied for, to the electricity End-users in the microgrid service areas upon its commercial operations.

№25-0479

22.2. The NPC shall take over the operation of the MGS, until the DU takes over or the same is awarded to another MGSP. The NPC takeover shall also comply with the provisions of the MSC.

22.3. The DU shall have the option to take over and acquire the Microgrid System from the MGSP to assume its obligation to provide electricity services in the area, pursuant to the detailed transition procedure as provided by the DOE.

Should the DU refuse to take over and exercise its option, a CSP shall be conducted to determine the next provider of integrated power generation and distribution services consistent with the provisions of the Act and this IRR.

22.4. Upon early termination of the MSC, the ERC may extend the same rate as approved and awarded to the former MGSP to be imposed by the NPC or DU.

Section 23. Expiration of the MSC

23.1. Two (2) years before the expiration of the MSC, the DU shall submit and include in its LTER its plan for continuity of services in the relevant area, which may include takeover or acquisition of the MGS, interconnection of the area to its existing Distribution System or development of a new Microgrid System, among others. Based on the DU's LTER, the DOE shall determine the plan for CSP for MGSP, as applicable.

23.2. The DU option to acquire the existing Microgrid System and takeover of the area shall be in accordance with the detailed transition procedure to be promulgated by the DOE. Should the MGSP agree to the acquisition, the same shall be subject to the valuation and approval by the ERC. Accordingly, the DU shall apply for the approval of the ERC of the applicable rate to be imposed in the area.

23.3. Based on the DU's LTER, the DOE may include the area in the immediate conduct of a CSP for MGSP.

The MGSP with the expiring MSC has the exclusive right to tender a lower offer within seven (7) calendar days from the announcement of the winning MGSP. This tender shall be submitted to the DOE or its authorized entity and the winning MGSP. The ERC shall determine the eligibility of the awarded MGSP for any applicable subsidies.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

PART VII. Exemption of End-users from Feed-in-Tariff and Universal Charges

Section 24. Pursuant to Section 16 of the Act, the End-users in Unserved and Underserved Areas not connected to the grid or within a franchise area where the Distribution System is not connected to the grid shall be exempt from the following:

№25-0479

(a) The payment of Feed-in-Tariff (FIT) allowance under the FIT system in Section 7 of RA 9513, otherwise known as the "*Renewable Energy Act of 2008*," and

(b) The payment of universal charges under Section 34 of the EPIRA.

PART VIII. Functions and Responsibilities

Section 25. DOE Functions and Responsibilities

The DOE shall:

25.1. Prepare and publish annually on its website the NTER, upon consultation with public and private stakeholders;

25.2. Determine, in consultation with the DUs, the time frame for compliance with their respective LTERs and DDPs: *Provided*, that all projects in their annual work plan shall be completed not later than eighteen (18) months from submission to the DOE or, in the case of DU Identified Unserved Areas, from the lapse of the thirty (30) calendar day-period for MGSPs to tender an all-in price offer pursuant to Section 14 of the IRR;

25.3. Receive and verify petitions from End-users, who are currently residing in unserved or underserved areas which are not identified or included in any LTER or not declared by the DOE as such, to declare such area as an unserved or underserved area;

25.4. Regularly identify and declare Unserved and Underserved Areas;

25.5. Conduct all CSP for MGSPs for the DOE Declared Unserved and Underserved Areas and the DU Identified Areas with the assistance of the NPC and NEA, in accordance with Section 12 of this IRR;

25.6. Monitor the operations of all awarded MGSPs and their respective MSCs: *Provided*, That the DOE, *motu proprio* or upon complaint, may conduct a review of an MGSP's operation should it find reasonable grounds on noncompliance with the minimum technical and service performance standards, applicable rules and regulations, and provisions of the MSC and recommend for NPC to take appropriate action under the MSC;

25.7. Determine a detailed procedure for the transition of service from the NPC or a DU to an MGSP, or from an MGSP to a DU or another MGSP, whichever is applicable; and

25.8. Provide support to the ERC in the development and promulgation of the minimum technical and service performance standards for Microgrid Systems.

CERTIFIED TRUE COPY
Department of Energy
4/15/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Section 26. ERC Functions and Responsibilities

The ERC shall:

26.1. Provide for a simplified and streamlined permitting process for MGSPs and DU MGS in accordance with the time frame specified in Section 19 of the Act, and issue an ATO to the MGSP pursuant to such process;

26.2. Develop, establish, and promulgate in consultation with the DOE, the NPC, the NEA, and other relevant government agencies and private stakeholders in the electric power industry, the minimum technical and service performance standards for Microgrid Systems within one hundred twenty (120) calendar days from the effectivity of this IRR: *Provided*, that these standards shall be compliant with the PDC, Philippine Grid Code, and other applicable laws, rules, regulations and codes;

26.3. Review and act on all MSCs entered into within the applicable time frames under Sections 8, 9, and 19 of the Act;

26.4. Exercise its rate-making power through the evaluation and determination of the following, within the applicable time frames under Sections 8, 9, and 19 of the Act:

26.4.1. An MGSP or DU MGS full cost, approved subsidy if applicable, and retail rate imposed on End-users of Unserved and Underserved Areas;

26.4.2. An equitable recovery mechanism, if applicable, for an MGSP's assets to ensure just compensation at the expiration of the MSC pursuant to Section 17 of the Act; and

26.4.3. In the event of a distribution grid extension, upon the expiration of the MSC and upon the decision of the DU to acquire the Microgrid System, review the application of the DU before the ERC to connect the MGS to the distribution grid pursuant to the equitable recovery mechanism provided in this Section provided that any connection that results to an increase in rates shall have to be approved by the ERC.

26.5. Monitor the compliance of all MGSPs with their obligations under their respective ATOs;

26.6. Issue rules on the recovery, and collection by the NPC for MGS;

26.7. Exercise original and exclusive jurisdiction over all cases involving the exercise of the abovementioned powers, functions and responsibilities, and over all cases involving disputes arising from the Act, except in competition cases under RA No. 10667, otherwise known as the "*Philippine Competition Act*";

CERTIFIED TRUE COPY
Department of Energy
4/29/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

N25-0479

26.8. Process any DU application for renewal of Certificate of Public Convenience and Necessity even with the presence of an MGSP in its franchise area pursuant to Section 18 of the Act;

26.9. Evaluate and determine an MGSP or DU MGSP's full cost, approved subsidy if applicable, and retail rate imposed on End-Users of Unserved and Underserved Areas; and

26.10. Issue rules on the UC-ME availment in accordance with DOE's existing policy on subsidy rationalization within one hundred twenty (120) calendar days upon effectivity of this IRR.

Section 27. NEA Functions and Responsibilities

The NEA shall:

27.1. Assist the ECs in the preparation of their respective LTERs;

27.2. Evaluate and verify the Unserved and Underserved Areas submitted by the ECs as part of their respective LTERs and submit its recommendations to the DOE not later than the fifteenth (15th) of March of every year;

27.3. If authorized by the DOE to conduct CSP for MGSP pursuant to Section 12 of this IRR, strictly comply with the procedure, guidelines and timeframe for CSP for MGSPs pursuant to Sections 11 to 15 of this IRR;

27.4. Provide support to the ERC in the development and promulgation of the minimum technical and service performance standards for Microgrid Systems;

27.5. Provide support in the DOE's issuance of Guidelines for the Technical, Financial, and other requirements for an MGSP in coordination with the NPC; and

27.6. Ensure that any JV with an EC, which intends to participate as a DU MGSP, conforms to the capital requirement of at least fifty-one percent (51%) EC ownership in such JV.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

Section 28. NPC Functions and Responsibilities

The NPC shall:

28.1. Prepare and execute annually an NPC Graduation Plan;

28.2. Continue to perform its missionary electrification mandate, including areas with no participating or awarded MGSP during a CSP for MGSP;

28.3. If authorized by the DOE to conduct CSP for MGSP pursuant to Section 12 of this IRR, strictly comply with the procedure, guidelines and timeframe for CSP for MGSPs pursuant to Sections 11 to 15 of this IRR.

N°25-0479

28.4. Execute the MSC with the awarded MGSP or DU MGSP in accordance with the minimum terms and conditions as provided in the MSC template;

28.5. Exclusively collect from the DUs, administer, and disburse the UC-ME;

28.6. Provide simplified and streamlined procedures and requirements for the processing of UC-ME subsidy claims, upon consultation with public and private stakeholders;

28.7. Release the UC-ME subsidy within forty-five (45) calendar days from submission to the NPC of the UC-ME subsidy claim with complete documentary requirements;

28.8. Submit a monthly status report to the DOE on the implementation of MSC, particularly the disbursement of UC-ME including any concerns that may compromise the operations of the MGSPs;

28.9. Provide support in the DOE's issuance of guidelines for the technical, financial, and other requirements for an MGSP in coordination with the NEA;

28.10. Provide support to the ERC in the development and promulgation of the minimum technical and service performance standards for Microgrid Systems;

28.11. Ensure transition of service from the NPC or a DU to an MGSP, or from an MGSP to a DU or another MGSP, whichever is applicable; and

28.12. Perform other responsibilities as mandated by this IRR.

Section 29. DU Responsibilities

The DU shall:

29.1. Develop the LTER to be submitted annually to DOE, or through the NEA in the case of the ECs;

29.2. Integrate the LTER in its DDP;

29.3. Have the option to enter into a JV for the installation and operation of MGS consistent with the requirements of Section 15 of the Act; and

29.4. Comply with obligations under the MSC, the Act, this IRR and applicable rules and regulations.

Section 30. Strengthening and Expansion of the EPIMB in the DOE

The DOE shall have an additional staffing complement, which shall be effective upon the approval of the Department of Budget and Management, consistent with existing civil service rules and regulations.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

Pending the approval of the organizational structure and staffing complement, the Secretary of the DOE may designate personnel from EPIMB and its support units to perform the duties, functions, and responsibilities under the Act and this IRR.

Section 31. Creation of a Special Division in the ERC

A Special Division attached to the appropriate Service Department in the ERC is hereby created for the effective implementation of the Act and this IRR. The new organizational structure and staffing complement shall be determined by the ERC and approved by the Office of the President in accordance with existing laws, rules, and regulations. The budgetary requirements shall be taken from the current appropriations of the ERC. Thereafter, the funding for the dedicated division shall be included in the General Appropriations Act (GAA).

Section 32. NPC's Authority to Secure Required Resources

To effectively perform its mandate under this IRR, the NPC is hereby authorized to secure resources, including but not limited to financial, human, and logistics, among others, to fully comply with its duties and responsibilities.

PART IX. Prohibited Acts and Criminal and Administrative Penalties

Section 33. Prohibited Acts

Any person, natural or juridical, is prohibited from committing the following acts:

33.1. Refusal to allow the installation of any Microgrid System by an MGSP: *Provided*, That the requirements under Sections 5, 6, 7, 8, and 9 of the Act are complied with;

33.2. Refusal to turn over the provision of integrated power generation and distribution services to an MGSP, or distribution services and connection and supply of electricity to a DU, whichever is applicable;

33.3. Refusal to allow a DU to acquire an Microgrid System pursuant to Section 17 of the Act;

33.4. Imposition of new contractual terms and charges on the End-user which are not part of the MSC or not approved by the ERC, whichever is applicable; and,

33.5. Failure to comply with the functions, responsibilities, and time frames in Sections 5 to 19 of the Act.

Section 34. Criminal and Administrative Penalties

The responsible officers and employees of any private corporation or government agency who commit the following prohibited acts shall, upon conviction, suffer the following penalties:

CERTIFIED TRUE COPY
Department of Energy
9/25/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

34.1. Violation of Section 23(a), (b), and (c) of the Act - Imprisonment of six (6) years to eight (8) years, or a fine ranging from a minimum of Seventy-Five Million Pesos (P75,000,000.00) to One Hundred Million Pesos (P100,000,000.00), upon the discretion of the court;

34.2. Violation of 23(d) of the Act - Imprisonment of four (4) years to six (6) years, or a fine ranging from a minimum of Fifty Million Pesos (P50,000,000.00) to Seventy-Five Million Pesos (P75,000,000.00); and

34.3. Violation of Section 23(e) of the Act - Imprisonment of two (2) years to four (4) years, or a fine ranging from a minimum of Twenty-Five Million Pesos (P25,000,000.00) to Fifty Million Pesos (P50,000,000.00), upon the discretion of the court.

Any person who willfully aids or abets the commission of these prohibited acts or who causes the commission of any such act by another shall be liable in the same manner as the principal. In cases of an association, partnership, or corporation, the penalty shall be imposed on the member, partner, president, chief operating officer, chief executive officer, director, or officer responsible for the violation.

34.4. Without prejudice to the aforementioned criminal liabilities, any government officer, or employee who violates Section 23(e) of the Act shall be held administratively liable, as follows:

33.4.1. First offense - Thirty (30) calendar days suspension without pay and mandatory attendance in Values Orientation Program;

33.4.2. Second offense - Three (3) months suspension without pay; and,

33.4.3. Third offense - Dismissal and perpetual disqualification from public service, and forfeiture of retirement benefits.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

PART X. Final Provisions

Section 35. Congressional Oversight

The Joint Congressional Energy Commission (JCEC) shall exercise oversight powers over the implementation of the Act. The DOE and ERC shall submit annually to the JCEC a thorough report on the implementation of this Act not later than the fifteenth (15th) of March of every year: *Provided*, That the report shall include identification of legislative gaps, if any, and recommended ways forward.

Section 36. Transitory Provision

Pursuant to Section 22 of the Act, benefits or incentives extended to QTPs under existing laws and regulations prior to the Act shall remain in full force and effect, unless otherwise amended or repealed by the Act. No provision of the Act and this IRR shall be taken to diminish any right vested by virtue of existing laws, contracts, or agreements.

№25-0479

Section 37. Repealing Clause

DOE DC No. DC2022-05-0017 is hereby repealed upon the effectivity of this Circular.

Any other DCs or issuances contrary or inconsistent with this IRR are hereby repealed, modified or amended accordingly.

Nothing in this Circular shall be construed to affect any vested rights acquired from institutions or mechanisms existing prior to this IRR.

Section 38. Separability Clause

If any portion or provision of this IRR is declared unconstitutional, the same shall not affect the validity or the legality of the other provisions.

Section 39. Effectivity

These Rules shall take effect fifteen (15) calendar days following its complete publication in at least two (2) newspapers of general circulation. Copies thereof shall be filed with the University of the Philippines Law Center-Office of National Administrative Register (UPLC-ONAR).

Issued on APR 08 2025 at the DOE, Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig City.

RAPHAEL P.M. LOTILLA
Secretary

ATTACHMENTS:

Annex A. Checklist of Requirements for Microgrid Service Providers
Annex B. Procedures for MGSP-CSP for DOE Declared UUAs
Annex C. Procedures for MGSP-CSP for DU Identified Unserved Areas
Annex D. Procedures for the Acceptance of Unsolicited Proposals for Areas Nominated by Interested Entities
Annex E. Notarized EOI duly signed by the Authorized Representative

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

Nº25-0479

ANNEX A. MGSP ELIGIBILITY REQUIREMENTS

A. Legal Requirements	Document Format
• SEC for Corporation/Partnership/Joint Venture/Consortium	
○ By-Laws (BL) and Articles of Incorporation (AOI), and BL and AOI of its corporate stockholders	Original SEC-Certified
○ Latest General Information Sheet GIS and the latest GIS of its corporate stockholders	Certified True Copy of SEC-Received
• Board Resolution authorizing its representative to negotiate and enter into MSC with the NPC	Original Copy
• Current/valid Mayor's permit issued by the City or Municipality where the principal place of business is located.	Certified True Copy
• Organizational Structure	Certified True Copy
• Any valid government-issued ID of the authorized representatives, i.e. signatory and witness under the MSC	Certified True Copy

B. Financial Requirements	Document Format
A. For Corporations existing and operating for more than two years from date of registration with SEC	
1. Latest Annual Report and/or Audited Financial Statements (FS) for the last two (2) years from the filing date	Original or Certified True Copy
2. If the Audited FS is more than six (6) months old at the time of filing, latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer	Original or Certified True Copy
B. For corporations existing and operating for less than two (2) years from date of registration with SEC	
1. Latest available Audited and Unaudited Financial Statement duly signed by the responsible official such as the President and/or Chief Finance Officer, if applicable	Original or Certified True Copy
2. Bank certification to substantiate the availability of cash to fund the project	Original Copy

CERTIFIED TRUE COPY
Department of Energy
4/18/18
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

B. Financial Requirements	Document Format
C. Other Requirements for A and B	
1. For subsidiaries, the parent company's letter of guaranty and similar financial documents shall also be submitted.	Original Copy
a. In case of a domestic parent company, the Letter of Guaranty should be duly notarized.	Original Copy
b. In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate Office that has jurisdiction over the said parent company.	Original Copy
2. Bank certification to substantiate the cash balance in the unaudited FS	Original or Certified True Copy
3. Bank approved loan/credit line earmarked for the proposed operation	Original or Certified True Copy
4. Projected Cash Flow Statement for next two (2) years, showing the fund sources and uses of funds for the particular offered area, other applied RE areas, existing service/operating contracts with DOE and other existing business, if applicable.	



№25-0479

ANNEX B. PROCEDURES ON DOE'S CONDUCT OF CSP FOR MGSP FOR DOE DECLARED UNSERVED AND UNDERSERVED AREAS

1. **The Invitation to Bid (ITB) for MGSP-CSP shall be:**

   1.1. Published in a newspaper of general circulation once weekly for two (2) consecutive weeks; and

   1.2. Posted continuously on the websites of the DOE, NPC, and NEA at any conspicuous places within the concerned DU's and LGU's main office premises for fifteen (15) consecutive calendar days upon publication.

2. **All interested bidders may submit an Expression of Interest (EOI) as follows:**

   2.1. The EOI shall be duly notarized and submitted together with the legal documents, as provided in Annex A, "MGSP Eligibility Requirements", in a sealed envelope, on the date, time, address, and manner as specified in the ITB.

   2.2. The Interested Bidder shall pay the corresponding non-refundable bid participation fee in the amount determined by MGSP-SBAC. Failure to pay the bid participation fee shall nullify the submitted EOI.

3. **All EOIs received by the MGSP-SBAC shall be subjected to a pre-qualification during the opening of EOIs as follows:**

   3.1. The opening of EOIs shall be facilitated by the MGSP-SBAC members in accordance with the ITB and shall take place in the presence of the duly authorized representative of the Interested Bidders, and Observers as may be permitted by the MGSP-SBAC.

   3.2. The MGSP-SBAC members shall open the sealed envelope in the order of the date and time it was received.

   3.3. The MGSP-SBAC shall check the presence/absence of all the legal documents to determine the pre-qualification of the MGSP Proponents consistent with Annex A - Legal Requirements.

   3.4. The MGSP-SBAC shall notify the Interested Bidders on the result of the pre-qualification process. Those who did not qualify the pre-qualification process may submit Motion for Reconsideration (MR) within three (3) calendar days after the receipt of the notification, subject to final decision of MGSP-SBAC, five (5) days upon receipt of the MR.

   3.5. In case the opening of EOI cannot proceed as scheduled due to justifiable reasons, the MGSP-SBAC shall take custody of the sealed envelope submitted and reschedule the opening of sealed envelope

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

on the next working day or at the soonest possible time through the issuance of a Notice of Postponement to be posted in the DOE website.

4. Pre-Bid Conference for MGSP-CSP

4.1. The MGSP SBAC shall conduct a pre-bid conference to address the queries from the MGSP Proponents.

4.2. The pre-bid conference shall discuss, among other things, the TOR, (i.e. technical, and financial components) including the provisions of the draft MSC template, to be bid out.

4.3. The MGSP-SBAC shall respond to written queries from MGSP Proponents via Supplemental Bid Bulletins. Any amendments to the Bidding Documents will be issued in writing through these bulletins at least 14 days before the bid submission deadline.

4.4. Supplemental Bid Bulletins may be issued in the following circumstances:

4.4.1. In response to clarification requests from MGSP Proponents.

4.4.2. At the initiative of the MGSP-SBAC to clarify or modify any part of the Bidding Documents. Modifications will be identified as amendments.

5. Receipt and Opening of Bids

5.1. An MGSP Proponent shall submit its sealed bid proposal on or before the date and time indicated in the ITB.

5.2. The opening of bids shall take place in the presence of MGSP-SBAC members, MGSP Proponents, and Observers as may be permitted by the MGSP-SBAC.

5.3. The MGSP-SBAC shall open the bids after the deadline of the submission and receipt of bids. The time, date, and place of the opening of bids shall be specified in the ITB. The MGSP Proponents or their duly authorized representatives may attend the opening of bids.

In case the opening of proposals cannot proceed as scheduled due to justifiable reasons, the MGSP SBAC shall take custody of the sealed envelope submitted and reschedule the opening of sealed envelope on the next working day or at the soonest possible time through the issuance of a Notice of Postponement to be posted in the DOE website.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

6. Bid Evaluation Criteria and Process

6.1. The MGSP SBAC shall proceed with the determination of the winning MGSP based on the compliance requirements prescribed in the ITB and TOR.

6.2. The first part of the bid evaluation shall undergo a pass/fail criteria based on financial and technical qualifications. A bid that fails to meet all requirements shall not be considered.

6.3. All complete proposals shall be subjected to an evaluation process, using evaluation criteria adopted by the MGSP-SBAC, to determine whether the concerned bidder complies with and is responsive to all the requirements and conditions as specified in the TOR and other pertinent bidding documents, as well as its all-in price offer.

7. Right to Tender a Lower All-in Price Offer

7.1. Upon MGSP SBAC's determination of the winning MGSP, the DU MGSP, who participated and pre-qualified in the CSP, if any, shall have the right to tender a lower all-in price offer within seven (7) calendar days, pursuant to Section 8 of the Act. Such tender shall be submitted to the DOE or its authorized entity, whichever is applicable, and the winning bidder; or

7.2. Should the DU MGSP tendered a lower offer, the MGSP SBAC shall recommend the award of the unserved or underserved area. Otherwise, the MGSP SBAC shall recommend the award to the winning MGSP.

8. Award and Execution of MSC

8.1. The winning MGSP shall receive a Notice of Award from the DOE, indicating the scope, commercial operations period, plant technology, plant capacity, and full cost recovery rate (FCRR). This notice includes the terms and conditions that the winning MGSP shall comply with.

8.2. The winning MGSP shall execute the MSC with NPC within fifteen (15) calendar days after the DOE's endorsement of the winning MGSP to the latter, in accordance with the minimum terms and conditions as provided in the MSC template.

8.3. After the execution of MSC between NPC and the winning MGSP, the DOE shall issue a letter of endorsement to the ERC relative to the winning MGSP's application to ERC of the FCRR and ATO.

8.4. The award by the DOE or its authorized entity to the MGSP/DU MGSP, the execution of the MSC, and the filing of a complete application with the ERC shall be the basis of the issuance of a

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

Notice/Acknowledgement or similar document and shall constitute the provisional authority of the MGSP/DU MGSP to start a collection of the rate specified in the award, the MSC, and the application upon the start of the MGSP's operation.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

Nº25-0479

ANNEX C. PROCEDURES ON DOE'S CONDUCT OF CSP FOR MGSP FOR DU IDENTIFIED UNSERVED AREAS

1. Submission of Complete Proposal

1.1. Within thirty (30) calendar days from the publication of DU Identified Unserved Areas through the NTER, the DOE may accept and evaluate complete proposals for electrification of said areas through microgrid system.

1.2. A proposal shall be considered complete when all of the following has been complied:

1.2.1. Cover letter expressing its interest;

1.2.2. Proof of Eligibility, as provided in Annex "A" "MGSP Eligibility Requirements"; and,

1.2.3. Project Proposal which shall contain the following, at the minimum:

1.2.3.1. Proposed electrification solution or technology to be applied for the target area including the system design for the generation and distribution lines and proposed plans for dealing with major operating contingencies such as failure of its generating plant or a major fault on its distribution system;

1.2.3.2. Number of potential and target household connections;

1.2.3.3. Proposed institutional and commercial arrangements (i.e., meter reading, billing and collection, disconnection policies, etc.)

1.2.3.4. Expected date of commissioning/commercial operation of the project;

1.2.3.5. Work Plan with target dates, detailing the schedule of the significant activities to be taken towards project completion including the target date of application with the ERC for the issuance of the Authority to Operate (ATO); and

1.2.3.6. Proposed FCRR and other charges to end-users.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

2. The complete proposal shall cover the plan for the Supply, Construction, Installation, Operation, and Maintenance of the Microgrid System (MGS) including Associated Services, such as, but not limited to, enhancement to the MGS, Customer Billing and Collections, to provide 24/7 electricity services for all existing and projected households in the DU Identified Unserved Areas.

The generation component shall be a hybrid-RE system with a minimum RE share of 35% upon its commercial operations, to be maintained at the level consistent with the Philippine Energy Plan.

3. Opening of Proposals for All-in Price Offer

3.1. After the lapse of (30) calendar days, the MGSP SBAC members shall open the sealed envelope containing the proposals in the order of the date and time it was received. The MGSP SBAC shall check the

№25-0479

presence/absence of the documents based on the requirements stated in Section 1.2 hereof.

3.2. Within thirty (30) calendar days, the MGSP-SBAC shall evaluate the proposals received, if any, and publish all-in price offers of all qualified bidders it has received on the DOE website.

4. Right to Tender a Lower All-in Price Offer

4.1. Within seven (7) calendar days after the MGSP-SBAC publishes all-in price and qualified offers it has received on its website, the DU may tender a lower all-in price offer.

4.2. Should DU tender a lower offer, the MGSP-SBAC shall recommend the award for electrification of the unserved area using the microgrid system to the DU within eighteen (18) months from the award by the DOE.

4.3. Accordingly, the DU shall cause the execution of the MSC with NPC and its approval by the ERC. The DU shall also secure the ATO from the ERC.

4.4. In case the DU did not tender a lower price offer, the MGSP-SBAC shall recommend the award of the area to the qualified MGSP Proponent with the lowest all-in price offer.

4.5. In the event there are no offers from any MGSP for a particular DU identified unserved area, the DU shall electrify the area through a DU operated microgrid system within eighteen (18) months from the lapse of the thirty (30) calendar day period for MGSPs to tender an all-in price offer.

5. Award and Execution of MSC

5.1. The winning MGSP shall execute the MSC with NPC within fifteen (15) calendar days after the DOE's endorsement of the winning MGSP to the latter, in accordance with the minimum terms and conditions as provided in the MSC template.

5.2. The entire procedure from pre-qualification of MGSP Proponents until the submission to the ERC of the awarded contract shall be no longer than ninety (90) calendar days after all the published requirements are completely submitted.

5.3. The award by the DOE to the MGSP, the execution of the MSC, and the filing of a complete application with the ERC shall be the basis of the issuance of a Notice/Acknowledgement or similar document and shall constitute the provisional authority of the MGSP to start a collection of the rate specified in the award, the MSC, and the application upon the start of the MGSP's operation.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

N°25-0479

ANNEX D. PROCEDURES FOR THE ACCEPTANCE OF UNSOLICITED PROPOSALS FOR AREAS NOMINATED BY INTERESTED ENTITIES

In conjunction with Section 15 of the IRR, the DOE may accept Unsolicited Proposals for areas, it declared as unserved or underserved and is not included in the conduct of CSP for MGSP pursuant to Section 13 of this IRR, as nominated by Interested Entities subject to the following:

1. Submission of Complete Proposal

A proposal shall be considered complete when all of the following has been complied:

1.1. Cover letter expressing its interest;

1.2. Proof of Eligibility, as provided in Annex "A" "Checklist of Requirements for Microgrid Service Provider"; and,

1.3. Project Proposal which shall contain the following, at the minimum:

1.3.1. Proposed electrification solution or technology to be applied for the target area including the system design for the generation and distribution lines and proposed plans for dealing with major operating contingencies such as failure of its generating plant or a major fault on its distribution system;
1.3.2. Number of potential and target household connections;
1.3.3. Proposed institutional and commercial arrangements (i.e., meter reading, billing and collection, disconnection policies, etc.)
1.3.4. Expected date of commissioning/commercial operation of the project;
1.3.5. Work Plan with target dates, detailing the schedule of the significant activities to be taken towards project completion including the target date of application with the ERC for the issuance of the Authority to Operate (ATO); and
1.3.6. Proposed FCRR and other charges to end-users.
1.3.7. Post-qualification requirements as may be imposed by the MGSP-SBAC.

CERTIFIED TRUE COPY
Department of Energy
4/15/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

2. Receipt and Acceptance of the Complete Proposal

2.1. Upon receipt, the MGSP-SBAC shall check the presence or absence of the required documents as provided under Section 1.3 of this Annex. The MGSP-SBAC shall only accept proposals with complete documents.

2.2. The MGSP-SBAC shall inform the MGSP Proponent of the completeness of the submitted documents within five (5) calendar

№25-0479

days from receipt. For incomplete submissions, the MGSP-SBAC shall return all the documents to the MGSP Proponent.

2.3. The MGSP-SBAC shall follow the First-In-Time Approach should there be more than one USP received on the same area, pursuant to Section 3.2 of this Annex.

3. Evaluation of the Complete Proposal

3.1. The MGSP-SBAC shall evaluate and inform the MGSP Proponent whether the submitted proposal is qualified or not within thirty (30) calendar days from its receipt. In case unqualified, all documents shall be returned to the MGSP Proponent. The MGSP-SBAC may proceed with the evaluation of another MGSP Proponent. If none of the MGSP Proponents will qualify, a CSP shall be conducted pursuant to Section 13 of this IRR.

3.2. In case the MGSP-SBAC receives more than one proposal involving the same target area prior to the declaration of the first as the "Original Proposal", the MGSP-SBAC shall evaluate the proposals using the First-In-Time approach.

3.2.1. Under the First-In-Time approach, the complete proposal first received by the MGSP-SBAC shall primarily be evaluated and decided upon. Subsequent submitted proposals will only be evaluated if the first one is not qualified, based on the order of their submission.

3.2.2. The MGSP-SBAC shall acknowledge the submissions of other MGSP Proponents for a similar target area and advise them of the existence of similar proposal(s) and its rank/position based on the date of receipt.

3.2.3. If the proposal has been declared as the "Original Proposal", other proposals shall be returned to the respective MGSP Proponents unopened.

3.3. The MGSP-SBAC shall subsequently declare the MGSP Proponent as the Original Proponent and its accepted proposal as the "Original Proposal", and shall prepare the TOR and the corresponding Bidding Documents.

4. Publication and Posting of Invitation to Bid

4.1. The Invitation to Bid (ITB) shall be issued within twenty (20) calendar days from the finalization of the bidding documents;

4.2. Published in the websites of DOE, NPC, NEA, at any conspicuous places within the concerned DU's and LGU's main office premises within seven (7) calendar days.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

N°25-0479

5. Pre-Bid Conference

5.1. The MGSP-SBAC shall conduct at least one (1) Pre-Bid Conference to address the queries of the prospective bidders within fourteen (14) calendar days after the publication of the Invitation for Comparative Proposal.

5.2. The pre-bid conference shall discuss, among other things, the eligibility requirements, the TOR and technical, legal, and financial components of the MSC to be bid out.

5.3. Requests for clarification to the MGSP-SBAC from the prospective MGSP Proponents shall be made in writing or through electronic mail before the conduct of the Pre-bid Conference, or after three (3) calendar days from the scheduled Pre-bid Conference, and through manifestation(s) during the Pre-bid Conference.

5.4. The MGSP-SBAC shall reply to the written queries or clarifications of the MGSP Proponents in the form of Bid/Supplemental Bulletins.

5.5. Decisions/clarifications of the MGSP-SBAC amending any provision of the Bidding Documents shall be issued in writing through a Supplemental/Bid Bulletin at least seven (7) calendar days before the deadline for the submission and receipt of bids.

5.6. Supplemental/Bid Bulletins may be issued in the following circumstances:

5.6.1. Request of the MGSP Proponents for clarification(s) on or before an interpretation of any part of the Bidding Documents; and,

5.6.2. Upon the initiative of the MGSP-SBAC for purposes of clarifying or modifying any provision of the Bidding Documents. Any modification to the Bidding Documents shall be identified as an amendment.

5.7. Pre-bid Conference shall be conducted within fourteen (14) calendar days upon the posting of the invitation for comparative proposal.

5.8. The MGSP-SBAC shall ensure that all clarifications and queries must be clarified by the issuance of Supplemental/Bid Bulletins, and shall avoid any delay in the conduct of the Swiss Challenge.

6. Receipt and Opening of Comparative Proposals

6.1. An MGSP Proponent shall submit its sealed comparative proposal on or before the date and time indicated in the ITB, which must not be later than forty-two (42) calendar days from its publication and posting.

CERTIFIED TRUE COPY
Department of Energy
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

Comparative proposals submitted after the deadline shall no longer be accepted.

6.2. The MGSP Proponent shall submit their proposals through their duly authorized representative using the forms specified in the ITB.

6.3. The MGSP-SBAC shall open the bids after the deadline of the submission and receipt of bids. The time, date, and place of the opening of bids shall be specified in the ITB. The MGSP Proponents or their duly authorized representatives may attend the opening of bids. The MGSP-SBAC shall ensure the integrity, security, and confidentiality of all submitted proposals.

In case the opening of proposals will not proceed as scheduled due to justifiable reasons, the MGSP-SBAC shall take custody of the sealed envelope submitted and reschedule the opening of sealed envelope on the next working day or at the soonest possible time through the issuance of a Notice of Postponement to be posted in the DOE website.

6.4. The opening of bids shall take place in the presence of MGSP Proponents, Observers, and the MGSP-SBAC. The absence of MGSP Proponent shall not be a ground for the postponement of the opening of bids or disqualification of the Interested Proponent.

7. Bid Evaluation of the Comparative Proposals

7.1. The MGSP-SBAC, after the submission of the comparative proposal, shall undergo a qualification and evaluation process of the legal, technical, and financial requirements submitted by proponents using the criteria indicated in the ITB.

7.2. The MGSP-SBAC shall recommend, in fourteen (14) calendar days, the declaration of the lowest comparative proposal as the lowest calculated bid. Upon the declaration, the MGSP-SBAC shall immediately notify in writing the Original Proponent, if not present.

7.3. The Original Proponent shall be the winning bidder in case of the following conditions:

7.3.1. No comparative bid was received by the MGSP-SBAC; or,

7.3.2. Comparative bids failed to meet the requirements prescribed in the bid documents.

7.4. MGSP-SBAC shall conclude the selection of the winning MGSP within ninety (90) calendar days from the opening of the Comparative Proposal and correspondingly recommend the issuance of the Notice of Award.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

8. Right to Match

8.1. The Original Proponent shall have the right to match such price proposal within fifteen (15) calendar days from receipt of the notification from the MGSP-SBAC of the result of the comparative bid.

8.2. In case the Original Proponent fails to match the price proposal of the lowest calculated bid within the specified period, the comparative proponent/lowest calculated bidder shall be the winning bidder.

On the other hand, if the Original Proponent matches the price proposal of the comparative proponent/lowest calculated bidder within the specified period, the Original Proponent shall be the winning bidder.

9. Award and Execution of MSC

9.1. The NPC and the winning MGSP shall execute the MSC within fifteen (15) calendar days after the conduct of the successful bidding, in accordance with the template provided by the DOE.

9.2. The award by the DOE or its authorized entity to the MGSP, the execution of the MSC, and the filing of a complete application with the ERC shall be the basis of the issuance of a Notice/Acknowledgement or similar document and shall constitute the provisional authority of the MGSP to start a collection of the rate specified in the award, the MSC, and the application upon the start of the MGSP's operation.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

№25-0479

ANNEX E

(Date)

Undersecretary Giovanni Carlo J. Bacordo
MGSP-SBAC Chairperson
Department of Energy
Energy Center, Rizal Drive cor. 34th Street,
Bonifacio Global City, Taguig City, Philippines 1632

Subject: Expression of Interest for Negotiated Award
For the Area/s_____

Dear **Undersecretary Bacordo,**

(Introduction)

(Background and Experience)

(Interest and/or Objectives)

(Company Details and Authorized representatives)

Company Name:	
Address:	
Telephone Number:	
Authorized Representatives:	(List of Authorized Representative/s)
Contact details/Mobile Number:	(List of Authorized Representative/s contact details)
Email Address:	(List of Authorized Representative/s email address)

Very truly yours,

(Signature)
[Your Name]
[Your Title/Position]
[Your Organization]

(Notarize EOI)

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-In-Charge
Records Management Division

№25-0479

SUBSCRIBED AND SWORN to before me this __ day of [month] [year] at [place of execution], Philippines. the above person/s has/have exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. _____ issued on _____ at _____, as competent evidence of their respective identities.

NOTARY PUBLIC

Doc. No. ___
Page No. ___
Book No. ___
Series of ____.

CERTIFIED TRUE COPY
Department of Energy
4/25/25
IMELDA M. ROXAS
Officer-in-Charge
Records Management Division

N°25-0479