

This notwithstanding, the RE Supplier shall provide a consolidated billing statement to the End-User reflecting all charges for the electricity supply and wires/wheeling services from the DU.

Section 13. Support Mechanism for RE Suppliers.

13.1. **Green Energy Auction for GEOP.** The DOE may implement an auction program enabling RE Suppliers to procure RE supply for participating End-Users. For this purpose, the DOE may direct the Green Energy Auction Committee to formulate the guidelines and terms of reference and to administer the auction under this Section.

13.2. **RE Pool.** To accelerate exploration, development, and utilization of RE resources and to ensure RE supply is available in a least-cost manner, RE Suppliers and RE Generators/Developers may enter into a joint action or establish a pool of RE supply under the GEOP to the extent permitted by applicable laws.

RULE 4 GEOP MANDATE

Section 14. GEOP Mandated Activities.

14.1. The DUs, MO, and RE Suppliers, shall provide individually and/or collectively, the mechanisms for the physical connection and commercial arrangements necessary to ensure the success of the GEOP.

14.2. Any eligible End-User intending to switch to GEOP, including members of an Aggregated Group through its RE Supplier acting as the aggregator, shall notify the DU, through registered mail, electronic mail, or personal service, of its intention to participate in the GEOP within three (3) months prior to the effectivity of the GEOP Supply Contract.

14.3. End-Users under the GEOP shall comply with obligations and be entitled to rights set forth in the Magna Carta for Retail Customers under ERC Resolution No. 13, Series of 2024 or any amendments thereto.

Section 15. Responsibilities of GEOP Entities.

15.1. RE Suppliers shall:

- Secure an Operating Permit from the DOE pursuant to Rule 5 of this Circular;
- Register with the MO, through the CRB and the RE Registrar;
- Provide a transparent and simplified offer sheet to the End-User, containing the terms and conditions of the GEOP Contract to the End-User;
- Incorporate in the GEOP Supply Contract with the End-User the mechanism to address the intermittency or availability factor of the RE Facilities to ensure the continuous power supply service, the provision of Replacement Power, and the responsibility for payment of transmission and/or distribution wheeling charges, if applicable;
- Ensure transparency in the monthly electric bill of the GEOP's End-User;
- Comply with the reportorial requirements of the DOE, ERC, CRB and the RE Registrar;
- Inform the GEOP End-user of its option to choose between a single or dual billing scheme;
- Submit annual reports to the Renewable Energy Management Bureau (REMB) of the DOE on or before every 30th of January, or as may be deemed necessary by the DOE. The report shall contain the following data:
 - Monthly kWh generated from owned, operated, and/or contracted RE facility;
 - Monthly kWh purchased per RE resource;
 - Monthly kWh sold per customer;
 - Peak Demand per customer in kW;
 - Available supply capacity per technology in MW;
 - Monthly kWh purchased for Replacement Power; and
 - Any additional information requested by the DOE.

The DOE shall establish a compliance template for this purpose; and

- Facilitate the switching of its GEOP customers including the submission of complete requirements to the CRB.

15.2. DUs as NSPs shall:

- Provide open and non-discriminatory access to its distribution system;
- Segregate and itemize all charges to End-User or RE Supplier;
- Ensure reliability and efficiency of transmission or distribution system; and
- Incorporate GEOP supply requirements to the annual preparation and updating of the Distribution Development Plan to consider the needed infrastructures to support the expansion of RE and effectively operationalize the GEOP.

15.3. TRANSCO or its successors-in-interest shall:

- Provide open and non-discriminatory access to its transmission facilities;
- Segregate and itemize all charges to the End-User or RE Suppliers;
- Ensure the dispatch of the generating facilities, in accordance with the WESM Rules and the Philippine Grid Code; and
- Incorporate GEOP supply to its annual preparation and update of its Transmission Development Plan, ensuring the reliability and efficiency of the transmission system, including the provision of the needed ancillary services, to support the expansion of RE.

15.4. MSPs shall:

- The host DU shall perform as the default Retail MSP within its franchise to ensure compliance with the installation and maintenance of all revenue metering facilities of the End-User;
- In the case of End-Users directly connected to the transmission facilities, TRANSCO or its successors-in-interest shall perform as the Retail MSP for the same End-Users'
- Register as GEOP MSP with the CRB; *Provided, That* all DUs registered as Retail MSP in the Retail Market shall be automatically registered as GEOP MSP in the CRB without the need of any supplementing requirements; and

iv. Submit annually on or before the 30th of January or as deemed necessary to the DOE list of eligible customers under their franchise areas with respective peak demand (in kW) and contact information.

15.5. DUs as the SOLR shall:

- Impose rates and/or charges duly approved by the ERC;
- Automatically provide supply to the End-User, in the event that the RE Supplier and its corresponding Replacement Power is not able to perform its obligation under the GEOP Supply Contract. As an alternative, the RE Supplier may enter into a commercial agreement with the DU or other generators for the provision of Replacement Power to the End-User. The SOLR mechanism shall only be triggered upon the cessation of service by the RE Supplier as determined by the ERC; and
- All DUs registered as SOLR in the Retail Market shall be automatically registered as GEOP SOLR in the CRB without the need of any supplementing requirements.

15.6. CRB and RE Registrar shall:

- Register the GEOP's End-Users with their RE Supplier;
- Facilitate amendments to the WESM and Retail Rules and Manuals, if necessary;
- Monitor the compliance of all RE Suppliers and account for the equivalent RECs generation supplied by the RE Suppliers as prescribed under Section 16 of this Circular. Any RE Supplier violating this provision shall be subjected to penalties under Rule 6 of this Circular; and
- Submit quarterly report / updates to the DOE including, but not limited to:
 - List of GEOP End-Users' name served by each RE Supplier;
 - Meter Number and Market Short Name;
 - Monthly registered peak and average demand (in kW);
 - Monthly metered quantity (in kWh);
 - Number of GEOP End-Users that switched, sorted by the DU franchise area; and
 - Percent (%) increase in Switching per DU franchise area.

Section 16. Responsibilities of the DOE through the REMB.

Consistent with Section 32 of the RE Act, the REMB shall:

- Evaluate the applications for and recommend the issuance of Operating Permits to RE Suppliers, pursuant to Rule 5 of this Circular;
- Monitor the energy output compliance of all RE Suppliers;
- Post on the DOE website the GEOP requirements and processes, list of RE Suppliers issued with GEOP Operation Permits with contact details, and other relevant information about the GEOP;
- Conduct Information, Education and Communication Campaign campaigns to inform all End-Users and other entities involved in the GEOP; and
- Undertake regular review and assessment of the GEOP Rules, including the GEOP eligibility threshold to promote wider utilization of RE resources, and propose amendments, if necessary.

Section 17. Other Provisions.

17.1. **Provision of Replacement Power.** To ensure that End-Users are supplied with 24/7 sufficient and reliable electricity, the RE Supplier shall secure adequate supply and ensure the availability of Replacement Power. Within three (3) years but no later than five (5) years from the effectivity of this Circular, an RE Supplier may source at least fifty percent (50%) of its Replacement Power from RE Resources, and the balance requirements may be sourced from WESM or other supply sources. Thereafter, all Replacement Power shall exclusively be sourced from RE Resources.

17.2. **Energy Supply Volume-based Matching.** To ensure proper accounting and provide flexibility in the implementation of Section 17.1 hereof, at the end of each contract year, the total energy delivered, in kWh or MWh, including Replacement Power, supplied by a RE Supplier to its End-User shall be equal or greater than the contracted energy and demand of the End-user.

17.3. **RECs Derived from the GEOP.** The RECs generated from the energy supplied to the End-Users under the GEOP are classified as Voluntary RECs and shall be allocated to the relevant End-User as a party to the GEOP Supply Contract.

RULE 5 GEOP OPERATING PERMIT GUIDELINES

Section 18. RE Supplier Qualifications. Any person, natural or juridical, registered and/or authorized to operate in the Philippines under existing Philippine laws and engaged in the business of generating and/or supplying electricity from RE Resources may apply for a GEOP Operating Permit as a RE Supplier under GEOP;

Section 19. Application Requirements. All applications, including new and renewal of the GEOP Operating Permit, shall be in writing and verified. All applicants shall likewise submit the following documents to the DOE:

- Affidavit of undertaking on the capability to supply and deliver the RE generation to the End-user, indicating all RE Facilities, including Replacement Power, where the supply for the GEOP will be sourced;
- Proof of RE Supply Contract/s;
- Proof of payment of the processing fee.

All existing RE Suppliers under the RCOA intending to supply electricity under the GEOP shall apply for a GEOP Operating Permit and comply with all the requirements stated herein.

Section 20. Processing and Approval of Applications.

- The DOE, through the REMB, shall be responsible for evaluating all applications for the issuance of GEOP Operating Permits to eligible RE Suppliers.
- Within ten (10) working days from the submission of complete application documents and compliance with the requirements, the REMB Director shall recommend to the Secretary the approval or disapproval of the application.
- The application shall be acted upon by the DOE Secretary, upon endorsement by the Supervising Assistant Secretary and Undersecretary of the REMB.

Section 21. Period of Validity. The GEOP Operating Permit shall be valid for a period of five (5) years from the date of issuance stated therein, unless earlier revoked by the DOE for any violation of this Circular.

Section 22. Renewal of Application. Six (6) months prior to its expiration, the RE Supplier may apply for renewal of its GEOP Operating Permit, subject to submission of required documents and payment fee under Section 19 of this Circular.

Section 23. Suspension, Revocation or Cancellation of GEOP Operating Permits. The DOE may suspend, revoke, or cancel any GEOP Operating Permit on the following grounds:

- Failure of the RE Supplier to comply with its obligations under the GEOP Rules and the terms and conditions under which the GEOP Operating Permit was issued;
- Providing false or misleading information to the End-User or the DOE;
- Failure to respond to DOE directives, communications, inquiries within the periods provided therein, or address customer complaints within five (5) working days from receipt of the same; and
- Termination of the GEOP Contract by the End-User for cause.

Upon a positive finding by the DOE that the RE Supplier has committed of any of the above enumerated grounds, the latter shall be required to explain in writing why its GEOP Operating Permit should not be suspended, revoked, or cancelled. The RE Supplier shall be given a non-extendible period of fifteen (15) calendar days to submit its explanation, which shall be accompanied by supporting documents.

Not later than fifteen working (15) days from its receipt of the RE Supplier's written explanation, the REMB shall submit its findings and recommendations to the DOE Secretary, through its Supervising Assistant Secretary and Undersecretary. The DOE Secretary shall have a period of five (5) working days to act upon said recommendation. The decision of the DOE Secretary shall be final and immediately executory.

The RE Supplier shall immediately be notified of the decision of the DOE Secretary in writing, within three (3) days upon receipt by REMB of the DOE Secretary's decision, through personal service, registered mail, private courier service, or through electronic mail.

Section 24. Penalties. Without prejudice to Rule 6 of this Circular, the following are the penalties which may be imposed upon a RE Supplier that has been found to have committed any of the acts provided in Section 23 hereof and has failed to provide justifications therefor:

- First Offense.** Suspension of the GEOP Operating Permit for six (6) months;
- Second Offense.** Suspension of the GEOP Operating Permit for one (1) year; and
- Third Offense.** Cancellation/Revocation of the GEOP Operating Permit.

Provided, That in cases where the RE Supplier was found to have twice committed the same violation in succession, the GEOP Operating Permit shall be cancelled/revoked.

RULE 6 PROHIBITED ACTS AND SANCTIONS

Section 25. Prohibited Act. Pursuant to Section 35(e) of the RE Act, non-compliance with or violation of the GEOP Rules shall be subject to the administrative and/or criminal penalties herein provided.

Section 26. Penalties for Non-Compliance. Consistent with RE Act, its IRR and this Circular, the following administrative and criminal sanctions may be imposed:

- Administrative Liability.** The DOE may impose a penalty ranging from a minimum of One Hundred Thousand Pesos (P100,000.00) to Five Hundred Thousand Pesos (P500,000.00) or, upon its discretion, may recommend to the appropriate government agency, the revocation of the DU's or Generation Facility's license, franchise, or authority to operate;
- Criminal Liability.** In accordance with Section 36 (Penalty Clause) and Section 35 (Prohibited Acts) of the RE Act, any person who willfully fails to comply with or violates the GEOP Rules shall be imposed with the penalties provided under the RE Act. Any person who willfully aids or abets the commission of such failure or violation or who causes the commission of any such act by another shall be liable in the same manner as the principal.

In the case of associations, partnerships, or corporations, the penalty shall be imposed on the partner, president, chief operating officer, chief executive officer, directors or officers responsible for the violation.

The failure to comply with or any violation of the GEOP Rules, upon conviction thereof, shall be imposed the penalty of imprisonment of one (1) year to five (5) years, or a fine ranging from a minimum of One Hundred Thousand Pesos (P100,000.00) to One Hundred Million Pesos (P100,000,000.00), or twice the amount of damages caused or costs avoided for non-compliance, whichever is higher, or both upon the discretion of the court.

This is without prejudice to the penalties provided for under existing environmental regulations prescribed by the Department of Environment and Natural Resources or any other concerned government agency;

- The DOE Rules of Practice and Procedure shall be applicable to cases for the imposition of the foregoing penalties; and

- In no case shall a fine or penalty imposed on a DU or RE Supplier/Generation Facility be charged to any of its End-Users or be considered as a substitute for compliance.

Section 27. Separability Clause. If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 28. Repealing Clause. All previous Department Circulars which are inconsistent with the provisions of this Circular are hereby repealed, amended, or modified accordingly. Correspondingly, DC Nos. DC2018-07-0019 and DC2020-04-0009 are hereby repealed.

Section 29. Effectivity. This Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. Copies of this Circular shall be filed with the University of the Philippines Law Center — Office of the National Administrative Register.


Sharon S. Garin
Secretary
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