



DEPARTMENT CIRCULAR NO. DC2026-01 - 0002

PROMULGATING THE REVISED RULES AND GUIDELINES GOVERNING THE IMPLEMENTATION OF THE GREEN ENERGY OPTION PROGRAM

WHEREAS, Republic Act No. 7638, otherwise known as the "Department of Energy (DOE) Act of 1992", declares it as a policy of the State to, among others, ensure a continuous, adequate and economic supply of energy through the integrated and intensive exploration, production, management and development of the country's indigenous energy resources;

WHEREAS, Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or "EPIRA", declares the policy of the State to, among others: (a) assure socially and environmentally compatible energy sources and infrastructure; and (b) promote the utilization of indigenous and new and renewable energy (RE) Resources in power generation in order to reduce dependence on imported energy;

WHEREAS, Section 37(e)(i) of the EPIRA mandates the DOE to encourage private sector investments in the electric power industry and promote the development of indigenous and RE Resources;

WHEREAS, Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008" or the "RE Act" declares the policy of the State to increase the utilization of RE by institutionalizing the development of national and local capabilities in the use of RE systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, Section 6 of the RE Act provides that all stakeholders in the electric power industry shall contribute to the growth of the RE industry in the country;

WHEREAS, Section 9 of the RE Act provides that the DOE shall establish a Green Energy Option Program (GEOP), which provides Electricity End-Users the option to choose RE Resources as their sources of energy;

WHEREAS, Section 9 of the RE Act, further provides that the DOE, in consultation with the National Renewable Energy Board (NREB), shall promulgate the appropriate implementing rules and regulations (IRR) necessary, incidental or convenient to achieve the objectives of the RE Act;

WHEREAS, on 18 July 2018, the DOE issued Department Circular (DC) No. DC2018-07-0019 titled, "Promulgating the Rules and Guidelines Governing the Establishment of the Green Energy Option Program Pursuant to the Renewable Energy Act of 2008", establishing the GEOP Rules;

WHEREAS, on 22 April 2020, the DOE issued DC No. DC2020-04-0009 titled, "Guidelines Governing the Issuance of Operating Permits to Renewable Energy

Suppliers under the Green Energy Option Program,” prescribing the guidelines and procedures in the issuance, administration, and revocation of GEOP Operating Permits to RE Suppliers;

WHEREAS, on 22 April 2021, the Energy Regulatory Commission (ERC) issued Resolution No. 08, Series of 2021 titled, “A Resolution Adopting the Green Energy Option Program,” setting the regulatory framework to operationalize the GEOP;

WHEREAS, on 03 December 2021, the GEOP was implemented on a voluntary basis in Luzon and Visayas;

WHEREAS, on 31 January 2023, the DOE issued DC No. DC2023-01-0004 titled, “Adopting Amendments to the WESM Rules, Retail Rules and Various Market Manuals, and Promulgation of the Retail Manual on the Procedures for the Implementation of the Green Energy Option Program”;

WHEREAS, with the commencement of the commercial operation of WESM in Mindanao on 26 January 2023 and cognizant of the readiness of the Mindanao Grid for retail market operations, the DOE issued DC No. DC2024-03-0009 on 01 March 2024, declaring 26 March 2024 as the commencement date of the commercial operations of Retail Competition and Open Access (RCOA) and GEOP in Mindanao;

WHEREAS, on 14 August 2024, the ERC issued Resolution No. 13, Series of 2024, title “A Resolution Adopting the Omnibus Rules for Customer Choice Programs in the Retail Market”, consolidating all directives and issuances governing the various Customer Choice Programs in the Retail Market including the RCOA, GEOP, and Retail Aggregation Program (RAP);

WHEREAS, the DOE acknowledges stakeholder feedback regarding operational challenges and prospective enhancements to the program aimed at increasing End-User participation;

WHEREAS, the DOE conducted a public consultation covering Luzon, Visayas, and Mindanao areas on 13 May 2025 for the proposed amendments to the GEOP Rules; and

NOW, THEREFORE, premises considered, the DOE hereby issues, adopts and promulgates the following rules and guidelines:

RULE 1 GENERAL PROVISIONS

Section 1. Title. This Circular shall be known as the "Revised Rules and Guidelines Governing the Implementation of the Green Energy Option Program (GEOP) in the Philippines" and shall hereinafter be referred to as the “**Revised GEOP Rules.**”

Section 2. Purpose. This Circular shall have the following objectives:

- 2.1. Harmonize existing rules and set transparent guidelines to address current challenges of the GEOP; and

- 2.2. Expand the coverage of the GEOP to enable broader participation of End-Users, RE Suppliers, and other industry players, consistent with the objectives of the RE Act to promote greater utilization and broader access to renewable energy resources.

Section 3. Guiding Principles. Consistent with the intent of the RE Act to empower End-Users to choose RE Resources and contribute in meeting the national RE targets under the Philippine Energy Plan and the National Renewable Energy Program, the following principles shall apply:

- 3.1. Any End-User opting to participate in the GEOP shall inform its host Distribution Utility (DU) of its plan to source power from RE Resources. The DU and RE Supplier, on the other hand, shall fully inform the End-User of the attendant technical, commercial, and legal arrangements necessary to implement the GEOP;
- 3.2. The DU and RE Supplier shall agree and facilitate, in a timely manner, the implementation of the GEOP for the End-User, including but not limited to, applicable wheeling, metering, and supply agreements;
- 3.3. The DUs shall ensure reliable and efficient wire or wheeling services to the End-User and/or the RE Supplier. In cases the GEOP Supply Contract is canceled, revoked, or terminated for any reason, the DUs shall continue to provide the wheeling services; *Provided, however, That* all obligations of the End-User or RE Supplier are settled or paid;
- 3.4. All rates and charges to End-Users shall be unbundled, segregated, and itemized for each of the generation components, transmission charges and/or distribution charges, supply charges and other applicable charges; and
- 3.5. The GEOP shall be a non-regulated activity, specifically with respect to its generation and supply components. It is intended to develop and promote the increased utilization of indigenous and environment-friendly sources of energy through the empowerment of End-Users to choose RE resources.

Section 4. Scope. This Circular shall apply to the following stakeholders:

- 4.1. End-Users;
- 4.2. RE Suppliers;
- 4.3. DUs including Economic Zone Developers and Utility Enterprises;
- 4.4. National Transmission Corporation (TRANSCO) or its successors-in-interest;
- 4.5. Metering Service Providers (MSPs);
- 4.6. Market Operator (MO);
- 4.7. Suppliers of Last Resort (SOLR);
- 4.8. Central Registration Body (CRB);
- 4.9. RE Registrar; and
- 4.10. Energy Regulatory Commission (ERC).

Section 5. Definition of Terms. As used in this Circular, the following terms shall be defined as follows:

- 5.1. **“Aggregated End-User”** refers to an End-User that form part of an Aggregated Group to qualify for the GEOP threshold in accordance with Section 7 of this Circular.
- 5.2. **“Aggregated Group”** refers to Aggregated End-Users located within a contiguous area, whose electricity demand have been consolidated and supplied by an RE Supplier to qualify for the GEOP threshold in accordance with Section 7 of this Circular;
- 5.3. **“Captive Market”** refers to End-Users who do not have the choice of supplier of electricity, as may be determined by the ERC in accordance with the EPIRA;
- 5.4. **“Certificate of Compliance”** or **“COC”** refers to a certificate issued by the ERC in favor of a person or entity to operate a generation facility pursuant to Section 6 of EPIRA and Section 4 of its IRR;
- 5.5. **“Contiguous Areas”** refer to areas located within geographical boundaries in which the aggregated supply of electricity of similarly situated End-Users can be measured through metering devices. Such areas shall be within the same franchise area of a DU, including:
 - i. Subdivisions;
 - ii. Villages;
 - iii. Business Districts;
 - iv. Economic Zones;
 - v. Condominium buildings;
 - vi. Commercial establishments;
 - vii. Mixed-use development complexes; and
 - viii. Others, as may be determined by the DOE and ERC.
- 5.6. **“Distribution Utility”** or **“DU”** refers to any electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise to operate a distribution system in accordance with its franchise and the EPIRA, including utility enterprises which are licensed to operate in the economic zones;
- 5.7. **“End-User”** refers to any person or entity requiring the supply and delivery of electricity for its own use and who chooses RE Resources as sources of its energy; *Provided, That* it has satisfied the eligibility requirements stated under Rule 2, Section 6 and 7 of this Circular;
- 5.8. **“Generation Facility”** refers to a facility where electricity is produced through the conversion of some other form of energy resource by means of a suitable apparatus, equipment, or machinery;
- 5.9. **“GEOP Operating Permit”** refers to a document issued by the DOE to an entity allowing the supply of electric power to an End-User, pursuant to Rule 5 of this Circular;
- 5.10. **“GEOP Entities”** refer to electric power industry participants mandated to carry out the responsibilities under the GEOP, pursuant to Section 14 of this Circular;

- 5.11. **“Metering Service Provider”** or **“MSP”** refers to a person or entity authorized by the ERC to provide metering services as defined in the Distribution Services and Open Access Rules;
- 5.12. **“Net Electricity Sales”** refer to energy supply less system losses and own use reckoned from 26 December of the preceding year to 25 December of the current year;
- 5.13. **“Network Service Provider”** or **“NSP”** refers to a person or entity engaged in the activity of owning, controlling, or operating a transmission or distribution system in accordance with their respective exclusive franchise, intended for the conveyance of electric power from the Generation Facility to the End-User;
- 5.14. **“RE Certificate”** or **“REC”** refers to a certificate representing all renewable and environmental attributes from one megawatt-hour (1MWh) of electricity generation sourced from duly registered and eligible RE Generation Facilities;
- 5.15. **“Renewable Energy Market”** or **“REM”** refers to the venue where RECs are tracked, surrendered or traded based on the amount of power generated from RPS-eligible RE resources for the compliance of Mandated Participants with the Renewable Portfolio Standards (RPS);
- 5.16. **“RE Registrar”** or refers to the entity designated to operate the RE Market and to issue, keep and verify RECs, pursuant to Section 8 of the RE Act and DC No. DC2019-12-0016 (or the "REM Rules");
- 5.17. **“RE Resources”** refer to energy resources that do not have an upper limit on the total quantity to be used. Such resources are renewable on a regular basis, and whose renewal rate is relatively rapid to consider availability over an indefinite period of time. These include, among others, biomass, solar, wind, geothermal, ocean energy and hydropower that conform with internationally accepted norms and standards on dams, and other emerging renewable energy technologies;
- 5.18. **“RE Supplier”** refers to any individual or juridical entity created, registered or authorized to operate in the Philippines in accordance with existing laws, which is engaged in the production and/or supply of electric power from RE Resources to End-User, and duly issued an Operating Permit by the DOE and a Retail Electricity License by the ERC;
- 5.19. **“Replacement Power”** refers to the supply of electricity to an End-User enrolled in the GEOP which shall be delivered should the supply contracted by the RE Supplier be unavailable for whatever cause or reason; and
- 5.20. **“Wholesale Electricity Spot Market”** or **“WESM”** refers to the wholesale electricity spot market established by the DOE pursuant to Section 30 of the EPIRA.

Furthermore, this Circular hereby adopts by reference the terms defined in the EPIRA and RE Act and their respective IRRs.

RULE 2 ELIGIBLE END-USERS

Section 6. Eligible End-Users. The following End-Users may opt to participate in the GEOP:

- 6.1. Existing End-Users with a recorded monthly average peak demand of 50 kW and above for the past twelve (12) months; and
- 6.2. New End-Users with a projected monthly average peak demand of 50 kW and above who choose their RE Supplier and apply for a Distribution Wheeling Services with the host DU.
- 6.3. **GEOP Aggregation.** End-Users within a Contiguous Area, whose demand do not meet the 50 kW eligibility minimum requirement, may form an Aggregated Group and participate in the GEOP, subject to the following:
 - i. There shall be no limit to the number of End-Users forming an Aggregated Group;
 - ii. Aggregated End-Users are located in one franchise area of a DU;
 - iii. The RE Supplier shall act as the aggregator and facilitate the switching of the Aggregated Group, subject to applicable rules and guidelines of the ERC; and
 - iv. Until such time that the DOE, in consultation with the industry stakeholders, determines the readiness of the full implementation of GEOP Aggregation, the GEOP Aggregation shall apply to all eligible End-Users within a Contiguous Area as defined in Section 5.5; *Provided, That* the consumption of the members of the Aggregated End-Users shall be measured through metering devices.
- 6.4. Participation in the GEOP shall be open to eligible End-Users in On-Grid areas of Luzon, Visayas, and Mindanao.

Section 7. Upholding End-User Choice. Any eligible End-User shall have the option to voluntarily contract directly with an RE Supplier.

- 7.1. An End-User from the Captive Market that opted to contract with an RE Supplier may revert as the customer of the DU; *Provided, That* it has fulfilled all its contractual/financial obligations to the RE Supplier and has executed the relevant agreement for the supply of electricity by the DU.
- 7.2. Any End-User who reverted to the DU as a customer may again participate in the GEOP, subject to the fulfillment of its contractual obligations with the DU.
- 7.3. Reversion of End-Users from retail to Captive Market and vice versa shall conform with the rules and regulations set by the ERC.

Section 8. Mandatory Review and Lowering of Threshold. To ensure the progressive expansion of the GEOP and to eventually allow all end-users the right to choose renewable energy, the following mechanism for threshold adjustment is hereby established:

- 8.1. The DOE, in coordination with the NREB and the ERC, shall conduct an annual review of the 50 kW threshold. The initial review shall be conducted twelve (12) months from the effectivity of this Circular;
- 8.2. The review shall prioritize the phased reduction of the threshold (e.g., to 20 kW, 10 kW, and eventually 0 kW) based on the following indicators:
 - (a) The number of licensed RE Suppliers in the market;
 - (b) The availability of smart metering infrastructure; and
 - (c) The impact of previous threshold reductions on the stability of DU captive rates.
- 8.3. Based on the results of the assessment, the DOE Secretary shall issue a Supplemental Circular to lower the threshold. Such issuance shall be deemed an integral part of these guidelines without the need for a full revision of this Circular.

**RULE 3
GEOP SUPPLY, STREAMLINED REGULATION,
AND SUPPORT MECHANISMS**

Section 9. Eligible Facilities. The following facilities are eligible to provide electricity supply under the GEOP:

- 9.1. All RE Facilities, whether or not the same is eligible for RPS compliance; and
- 9.2. Energy Storage Systems solely integrated to an RE Facility, subject to rules, guidelines, and relevant regulations of the DOE and the ERC.

All facilities supplying under the GEOP shall have the necessary Certificate of Compliance (COC) from the ERC;

Section 10. RE Suppliers. Entities that shall utilize an RE Facility eligible to supply power under the GEOP shall secure an Operating Permit from the DOE and a Retail Electricity Supplier (RES) License from the ERC pursuant to Rule 5 of this Circular.

Section 11. GEOP Supply Contract. The GEOP Supply Contract shall govern the relationship between the End-User and the RE Supplier.

- 11.1. The GEOP Supply Contract shall not require approval from the ERC. Moreover, the DOE and ERC may not review the terms and conditions of the GEOP Supply Contract, including the price of electricity agreed upon, except in the event of contractual disputes.
- 11.2. The DU shall not be financially liable for any excess power provided by the RE Supplier to the End-User under the GEOP Supply Contract.

Section 12. Billing Mechanisms. End-Users shall have the option to choose between a single or dual billing arrangement under the GEOP. 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:

- i. Secure an Operating Permit from the DOE pursuant to Rule 5 of this Circular;
- ii. Register with the MO, through the CRB and the RE Registrar;
- iii. Provide a transparent and simplified offer sheet to the End-User, containing the terms and conditions of the GEOP Contract to the End-User;

- iv. 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;
- v. Ensure transparency in the monthly electric bill of the GEOP's End-User;
- vi. Comply with the reportorial requirements of the DOE, ERC, CRB and the RE Registrar;
- vii. Inform the GEOP End-user of its option to choose between a single or dual billing scheme;
- viii. 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:
 - (i) Monthly kWh generated from owned, operated, and/or contracted RE facility;
 - (ii) Monthly kWh purchased per RE resource;
 - (iii) Monthly kWh sold per customer;
 - (iv) Peak Demand per customer in kW;
 - (v) Available supply capacity per technology in MW;
 - (vi) Monthly kWh purchased for Replacement Power; and
 - (vii) Any additional information requested by the DOE.

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

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

15.2. DUs as NSPs shall:

- i. Provide open and non-discriminatory access to its distribution system;
- ii. Segregate and itemize all charges to End-User or RE Supplier;
- iii. Ensure reliability and efficiency of transmission or distribution system; and
- iv. 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:

- i. Provide open and non-discriminatory access to its transmission facilities;
- ii. Segregate and itemize all charges to the End-User or RE Suppliers;

- iii. Ensure the dispatch of the generating facilities, in accordance with the WESM Rules and the Philippine Grid Code; and
- iv. 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:

- i. 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;
- ii. 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'
- iii. 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:

- i. Impose rates and/or charges duly approved by the ERC;
- ii. 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
- iii. 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:

- i. Register the GEOP's End-Users with their RE Supplier;
- ii. Facilitate amendments to the WESM and Retail Rules and Manuals, if necessary;
- iii. 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

iv. Submit quarterly report / updates to the DOE including, but not limited to:

- (i) List of GEOP End-Users' name served by each RE Supplier;
- (ii) Meter Number and Market Short Name;
- (iii) Monthly registered peak and average demand (in kW);
- (iv) Monthly metered quantity (in kWh);
- (v) Number of GEOP End-Users that switched, sorted by the DU franchise area; and
- (vi) 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:

- 16.1. Evaluate the applications for and recommend the issuance of Operating Permits to RE Suppliers, pursuant to Rule 5 of this Circular;
- 16.2. Monitor the energy output compliance of all RE Suppliers;
- 16.3. 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;
- 16.4. Conduct Information, Education and Communication Campaign campaigns to inform all End-Users and other entities involved in the GEOP; and
- 16.5. 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:

19.1. 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;

19.2. Proof of RE Supply Contract/s;

19.3. 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.

20.1. The DOE, through the REMB, shall be responsible for evaluating all applications for the issuance of GEOP Operating Permits to eligible RE Suppliers.

20.2. 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.

20.3. 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:

- 23.1. 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;
- 23.2. Providing false or misleading information to the End-User or the DOE;
- 23.3. 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
- 23.4. Termination of the GEOP Contract by the End-User for cause.

Upon a positive finding by the DOE that the RE Supplier has committed 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:

- 24.1. **First Offense.** Suspension of the GEOP Operating Permit for six (6) months;
- 24.2. **Second Offense.** Suspension of the GEOP Operating Permit for one (1) year; and
- 24.3. **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.

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:

26.1. **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;

26.2. **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;

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

26.4. 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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