



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



DEPARTMENT CIRCULAR NO. DC2026-07-0015

PRESCRIBING AMENDMENTS TO DEPARTMENT CIRCULAR NO. DC2026-04-0011, ENTITLED “AMENDED FRAMEWORK FOR THE INTEGRATION OF WASTE-TO-ENERGY FACILITIES IN THE COUNTRY’S POWER GENERATION MIX TO IMPLEMENT THE CLEAN ENERGY SCENARIO UNDER THE PHILIPPINE ENERGY PLAN 2023-2050, PROVIDING INCENTIVES FOR PIONEER WASTE-TO-ENERGY PROJECTS AND SUPPLEMENTING THE GREEN ENERGY AUCTION PROGRAM GUIDELINES UNDER DEPARTMENT CIRCULAR NO. DC2021-11-0036 FOR THE PURPOSE”

WHEREAS, Republic Act (RA) No. 7638, otherwise known as the “Department of Energy Act (DOE) of 1992”, as amended, mandates the DOE to ensure an adequate and sustainable supply of energy through the integrated development of indigenous resources and efficient utilization of energy technologies, and to exercise supervision and control over all government activities relative to energy projects in order to attain the goals embodied in the Act;

WHEREAS, RA No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (EPIRA), provides for the development of environmentally compatible and socially acceptable energy resources and the integration of new and renewable energy sources into the country’s power generation mix;

WHEREAS, RA No. 9513, or the “Renewable Energy Act of 2008” (RE Act), declares the policy of the State to accelerate the exploration, development, and utilization of renewable energy (RE) resources, to reduce the country’s dependence on fossil fuels and mitigate greenhouse gas (GHG) emissions;

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

WHEREAS, Section 30 of the RE Act provides that the DOE shall, where practicable, encourage the adoption of waste-to-energy (WTE) facilities and, in coordination with the Department of Environment and Natural Resources (DENR), ensure compliance therewith;

WHEREAS, the DOE issued Department Circular (DC) No. DC2017-12-0015, entitled “Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards (RPS) for On-Grid Areas” and DC No. DC2023-05-0014, entitled “Promulgating the Revised Rules and Guidelines Governing the Operationalization of the Renewable Portfolio Standards for Off-Grid Areas Pursuant to Section 12 of the RE Act”, respectively, which recognize RE facilities utilizing WTE technology as eligible for compliance with the minimum RPS requirements of On-Grid and Off-Grid Mandated Participants;

WHEREAS, the DOE issued DC No. DC2018-02-0003, entitled "Adopting and Prescribing the Policy for the Competitive Selection Process (CSP) in the Procurement by the Distribution Utilities (DUs) of Power Supply Agreement (PSA) for the Captive Market," as amended by DC Nos. DC2021-09-0030 and DC2025-10-0022, to ensure transparency and competitiveness in the conduct of CSP through the wide dissemination of bid opportunities and participation of all eligible and qualified generation companies;

WHEREAS, on 3 November 2021, the DOE issued DC No. DC2021-11-0036, entitled "Providing the Revised Guidelines for the Green Energy Auction Program (GEAP) in the Philippines" (GEAP Guidelines), which aims to support and/or facilitate immediate and timely investments in new or additional RE capacities and thereby ensure availability of adequate supply and competitive rates of electricity in the country;

WHEREAS, Section 8 of the GEAP Guidelines provides that the Energy Regulatory Commission (ERC) shall determine the Green Energy Auction Reserve (GEAR) Price/s under each Auction Round Procedure;

WHEREAS, the DOE issued DC No. DC2022-02-0002, entitled "Prescribing the Policies and Programs to Promote and Enhance the Development of Biomass WTE Facilities," to enhance the development of biomass WTE facilities;

WHEREAS, Section 5 of DC No. DC2022-10-0031, entitled "Declaring All Renewable Energy Resources as Preferential Dispatch Generating Units in the Wholesale Electricity Spot Market (WESM) Amending for this Purpose Department Circular No. DC2015-03-0001," provides that the DOE may grant Preferential Dispatch status to any future emerging RE technologies that may be approved by the DOE;

WHEREAS, the Philippine Energy Plan (PEP) 2023-2050 includes a Clean Energy Scenario (CES) aimed at accelerating the energy transition through the diversification of energy sources, including the strategic integration of WTE technologies;

WHEREAS, the ~~Energy Regulatory Commission (ERC)~~ issued ERC Resolution No. 6, series of 2025, entitled "A Resolution Adopting the Guidelines on the Collection of the Green Energy Auction Allowance (GEA-All) and the Disbursement of the GEA-All Fund," clarifying, among others, the Green Energy Tariff (GET) Eligibility Period;

WHEREAS, the DOE issued DC No. DC2025-10-0023, entitled "Promulgating the Enhanced Policy to Rationalize the Provision of Benefits to Communities Hosting Energy Generation and Resource Development Facilities, Including Generating Facilities with Integrated Energy Storage System Facilities, Amending Rule 29(A) of the Implementing Rules and Regulations of Republic Act No. 9136," clarifying, among others, the benefit allocation to host beneficiaries;

WHEREAS, the DOE issued DC No. DC2025-11-0026, entitled "Framework for the Integration of Waste-to-Energy (WTE) Facilities in the Country's Power Generation Mix to Implement the Clean Energy Scenario under the Philippine Energy Plan 2023-2050, Providing Incentives for Pioneer Waste-to-Energy Projects and Supplementing the Green Energy Auction Program Guidelines under Department Circular No.

DC2021-11-0036," which mandates, among others, the conduct of a Special Auction Round for Pioneer WTE Projects, as defined therein, under the GEAP;

WHEREAS, the supply of municipal solid waste (MSW) is under the jurisdiction of LGUs and subject to their local ordinances and existing commitments, and, in recognition of LGU autonomy and national solid waste management laws and policies, the DOE's role is to facilitate coordination, assist developers, and promote MSW supply efforts without guaranteeing or assuring feedstock;

WHEREAS, the DOE issued DC No. DC2025-12-0028, which amends DC No. DC2025-11-0026 to align the Supply Delivery Period of Pioneer WTE Projects under the Special Auction Round for WTE with ERC Resolution No. 6, series of 2025, clarify the allocation of benefits to host beneficiaries of Pioneer WTE Projects, and reframe the DOE's role in the MSW feedstock supply;

WHEREAS, the DOE issued DC No. DC2026-04-0011, which amends DC No. DC2025-12-0028 to align the Delivery Commencement Period and not allowing co-firing of non-MSW feedstock of the Pioneer WTE Projects under the Special Auction Round for WTE; and

WHEREAS, to ensure the widest participation in the Special Auction Round for WTE, there is a need to further extend the Delivery Commencement Period and amend the definition of Qualified Supplier of Pioneer WTE Projects under said auction round;

WHEREAS, to attain the foregoing objective, there is a need to further amend DC No. DC2026-04-0011.

NOW, THEREFORE, in consideration of the foregoing premises, the DOE hereby issues this Amended Framework for the Integration of WTE Facilities in the Country's Power Generation Mix:

RULE I GENERAL PRINCIPLES

Section 1. Title. – This Circular shall be known and referred to as the "**AMENDED FRAMEWORK FOR THE INTEGRATION OF WTE FACILITIES IN THE COUNTRY'S POWER GENERATION MIX.**"

Section 2. Guiding Principles for WTE Integration. – The government shall promote a conducive industry environment for the commercial operation of WTE facilities guided by the following principles:

- 2.1. **Energy Security.** WTE facilities shall provide a stable, indigenous and baseload energy source of electricity by converting acceptable municipal solid waste (MSW), such as source segregated biodegradables or residual wastes collected from households, Materials Recovery Facilities, Residual Containment Areas (RCAs), Sanitary Landfills, and other disposal facilities, into power.

- 2.2. **Environmental Sustainability.** WTE facilities, particularly those employing thermal combustion technology, shall complement national and local solid waste management goals, minimize the use of and need for sanitary landfills, and reduce methane and GHG emissions, consistent with applicable laws, rules and regulations, and international agreements.
- 2.3. **Circular Economy.** WTE facilities shall adhere to the principles of circular economy as defined in RA No. 9003, as amended by RA No. 11898, otherwise known as the "Extended Producer Responsibility Act of 2022."
- 2.4. **Grid Integration.** WTE facilities and their required transmission and distribution facilities to enable full dispatch shall be included in the Power Development Plan (PDP), Transmission Development Plan (TDP), and Distribution Development Plans (DDPs), supported by System Impact Studies (SIS) and Distribution Impact Studies (DIS), respectively.
- 2.5. **Offtake Arrangement under the GEAP; Alternative Offtake Arrangement.** Special Auction Round/s for Pioneer WTE Projects shall be conducted under the GEAP. Capacities from Pioneer WTE Projects which are not under the GEAP shall be contracted by DUs and other offtakers.
- 2.6. **Competitive Pricing.** In setting the reserve price and/or electricity rates for WTE capacity, the ERC shall, without prejudice to other considerations set forth in the EPIRA and related laws, take into account the capital-intensive nature of WTE development, the long-term operational horizon of WTE projects, and other benefits derived from WTE facilities employing thermal combustion technology, such as, but not limited to, waste management, reduction on the need for new sanitary landfills or any expansion thereof, and GHG emissions reduction. The ERC shall likewise use the appropriate and current WTE reference projects and prevailing costs as basis for such determination.
- 2.7. **Community Benefits.** Host beneficiaries of WTE facilities shall benefit from employment, livelihood programs, environmental safeguards, and receive direct and tangible benefits in accordance with DC No. DC2025-10-0023, or the "Enhanced Energy Regulations for the Benefits to Host Communities," and other applicable national policies.
- 2.8. **Compliance with Environmental Regulations.** WTE facilities shall comply with all environmental laws, including Presidential Decree No. 1586, entitled "Establishing an Environmental Impact Statement System Including Other Environmental Management Related Measures and for Other Purposes," RA No. 6969, otherwise known as the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990,"

RA No. 8749, otherwise known as the "Philippine Clear Air Act of 1999," RA No. 9003, RA No. 9275, otherwise known as the "Philippine Clean Water Act of 2004," and DENR Administrative Order No. 2019-21, entitled "Guidelines Governing WTE Facilities for the Integrated Management of Municipal Solid Wastes," or any amendment thereto, and other relevant rules and regulations.

RULE II

POLICY FRAMEWORK FOR THE PIONEER WTE PROJECT

Section 3. *Definition and Recognition.* – A WTE project shall be considered as a Pioneer WTE Project eligible for priority permitting, dispatch and other incentives provided for in this Circular if:

- 3.1. It employs thermal combustion technology;
- 3.2. It processes only MSW of local government units (LGUs) as fuel;
- 3.3. The MSW used as fuel in such facilities shall not be co-fired with other non-MSW feedstock, regardless of source of the latter;
- 3.4. It commences Commercial Operations not later than 31 December 2029, where Commercial Operations is reckoned from the date reflected in the Certificate of Compliance (COC) or Provisional Authority to Operate of the ERC.

Section 4. *Roles and Responsibilities of the DOE.*

- 4.1. Within thirty (30) days from the issuance of this Circular, the DOE shall:
 - 1) Explore alternatives for the role of the government in Pioneer WTE Projects, including Public-Private Partnerships (PPP), joint ventures, or full private sector-led development, while ensuring alignment with national solid waste management and energy policies;
 - 2) Study options for financing and funding mechanisms specific to WTE technologies, in coordination with the PPP Center of the Philippines, Department of Finance (DOF), Department of Economy, Planning, and Development (DEPDev), and other coordinating bodies and relevant agencies or institutions;
 - 3) Plan with the Transmission Network Provider (TNP), System Operator (SO), and concerned DU to ensure that appropriate transmission and/or distribution infrastructure is developed in time for the commercial operation of Pioneer WTE Projects, and that they are incorporated in the TDP and/or the relevant DDP;

- 4) Design appropriate mechanisms and market arrangements to ensure the full offtake of energy output from Pioneer WTE Projects, including power supply aggregation and direct contracting with industrial or commercial customers under the Retail Competition and Open Access;
 - 5) Evaluate possible policies, in coordination with the ERC, for the integration of WTE-generated electricity into the power supply planning of DUs, Electric Cooperatives (ECs), and the National Electrification Administration (NEA);
 - 6) Formulate policies to maximize benefits for host LGUs and communities of WTE facilities in accordance with DC No. DC2025-10-0023;
 - 7) Coordinate with LGUs, the DENR, the Department of Interior and Local Government (DILG), and the National Solid Waste Management Commission (NSWMC), to assess the viability of MSW feedstock supply;
 - 8) Identify policy interventions to address cross-sectoral concerns related to WTE projects, which shall include, but shall not be limited to, promoting feedstock sustainability; encouraging long-term MSW supply agreements; enhancing inter-agency coordination on solid waste segregation, transport, and preprocessing; and promoting public education and stakeholder consultation;
 - 9) Coordinate with the Metro Manila Development Authority (MMDA) to facilitate the designation of Pioneer WTE Projects as disposal sites for MSW, in coordination with concerned LGUs and in accordance with applicable laws, rules, and regulations;
 - 10) Identify and propose additional incentives for Pioneer WTE Projects in recognition of their dual role in energy generation and waste management; and
 - 11) Coordinate with all relevant government agencies, LGUs, regulators, and industry stakeholders to ensure the smooth implementation of this Circular and to monitor progress toward the integration of WTE into the country's power generation mix.
- 4.2. The Renewable Energy Management Bureau-Biomass Energy Management Division (REMB-BEMD) of the DOE, or any subsequent or successor entities or bodies, shall, in addition to its respective mandate under existing laws, guidelines, and regulations, have the following responsibilities:

- 1) Provide technical assistance to the developers of Pioneer WTE projects throughout the planning, development, and operational phases;
- 2) Assist concerned agencies and entities in performing their responsibilities under this Circular and, when necessary, alert them of actions required for their timely completion, particularly on matters related to permitting, inter-agency coordination, and grid integration;
- 3) Consolidate and monitor developments made by concerned agencies and stakeholders and provide periodic updates and reports on the status of actions and commitments under this Circular;
- 4) Coordinate with other relevant agencies and entities, beyond those explicitly mentioned in this Circular, including but not limited to the DENR, NSWMC, DILG, and LGUs, to support the implementation of WTE-related policies and address cross-cutting challenges;
- 5) Lead, in coordination with the DENR-Environmental Management Bureau, and/or collaborate with development partners in the conduct of capacity-building activities for relevant agencies and stakeholders on WTE technologies, environmental and emissions standards, and energy market integration; and
- 6) Perform other duties and functions as may be assigned or delegated by the Secretary in support of the effective implementation of this Circular.

Section 5. Roles and Responsibilities of Other Government Agencies/Instrumentalities.

- 5.1. **ERC.** Within sixty (60) days from the issuance of this Circular, the ERC shall:

- 1) Formulate rules and guidelines for the determination of the appropriate price-setting methodology applicable to the operation of Pioneer WTE Projects, consistent with the principles under Rule I, Section 2.6 of this Circular. Such rules shall establish a reference price or tariff range, define a long-term cost recovery mechanism, such as a Regulatory Asset Base (RAB) model, and incorporate the necessary regulatory adjustments to accommodate WTE into the Philippine Grid Code, Philippine Distribution Code, and the Open Access Transmission Service Rules;

- 2) Establish a regulation for minimum contract periods for PSAs involving Pioneer WTE Projects, with a base term of twenty-five (25) years starting from the project's Commercial Operation Date, extendable based on the assessed economic life of the facility and consistency with environmental compliance;
- 3) Set the necessary rules and incorporate allowable costs for refurbishment, pollution control equipment upgrades, and long-term maintenance during the commercial operations of WTE facilities, consistent with cost-of-service regulation principles and subject to applicable environmental and energy regulations;
- 4) Establish the rules and requirements for the issuances of Certificate of Compliance (COC) for WTE facilities, in coordination with the DOE, DENR, and other relevant agencies, to ensure regulatory alignment and the safe, compliant integration of WTE into the power system;
- 5) Conduct capacity-building programs in partnership with the DOE's REMB-BEMD, the NSWMC, and other development partners, to build institutional and technical expertise on WTE pricing, permitting, and operational monitoring; and
- 6) Provide other regulatory support as may be necessary to achieve the objectives of this Circular and to facilitate the effective integration of WTE into the country's generation mix.

5.2. Transmission Network Provider (TNP) and System Operator (SO).
The TNP and SO shall:

- 1) Maintain close and regular communication with developers of Pioneer WTE Projects in the course of planning, construction, grid connection, and operational integration. This ensures that all relevant information regarding the plant's technical design, operational profile, and safety protocols is provided to support the reliability, security, and stability of the power system.

The DOE and its relevant agencies, including the National Transmission Corporation (TransCo), shall be included in these communications to ensure compliance with energy policies and to facilitate proper grid integration and system planning;

- 2) Build the necessary transmission infrastructure and related facilities in a timely manner to support the effective integration and dispatch of electricity generated from the Pioneer WTE Projects into the grid.

The transmission network must be designed to accommodate the anticipated capacity of Pioneer WTE Projects, consistent with its

declared capacity under the PEP and relevant Grid Impact Studies;

- 3) Issue the required SIS within four (4) months from submission of a complete application and ensure timely issuance of the Facility Study and Transmission Connection Agreement to facilitate the grid connection of Pioneer WTE Projects;
- 4) In the next TDP following the issuance of this Circular, include WTE energy in the expansion and enhancement of the national grid, considering the specific operational characteristics of WTE technologies and aligned with applicable environmental and safety standards;
- 5) Guarantee a priority schedule for testing and commissioning for Pioneer WTE Projects in accordance with DOE's endorsement;
- 6) Ensure the preferential dispatch of generation by Pioneer WTE Projects, specifically as Priority Dispatch, recognizing their roles as reliable baseload source in the WESM;
- 7) Build institutional and technical capacity within the TNP and SO to manage the entry and operation of WTE plants in the power system, in coordination with the DOE, NSWMC, and other development partners; and
- 8) Perform other actions as may be necessary to ensure the smooth, safe, and efficient integration of Pioneer WTE Projects into the national power grid.

- 5.3. **Other Government Agencies and Entities.** The DOE may seek the assistance of other government agencies, government-owned and -controlled corporations, local government units, and private entities as may be necessary to accomplish the objectives of this Circular.

RULE III INCENTIVES FOR PIONEER WTE PROJECTS

Section 6. Incentives in Support of Pioneer WTE Projects. The following shall be the incentives in support of Pioneer WTE Projects:

- 6.1. **Incentive Regime.** Developers of Pioneer WTE Project may elect to avail themselves of the incentives under the RE Act, or the National Internal Revenue (NIRC) Code of 1997, as amended by RA No. 12066, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy Act" (CREATE MORE).

Unless the developer signifies its intention to avail itself of the incentives under CREATE MORE at the time of issuance of Certificate of Registration, it shall be considered as having availed itself of the incentives under the RE Act. Once the developer elects to avail itself of the incentives under CREATE MORE, such election shall be considered irrevocable and no incentives under the RE Act shall be allowed thereafter.

- 6.2. **Certificate of Energy Project of National Significance (CEPNS).** The CEPNS shall be issued prior to the formal submission of permit and license applications, subject to the DOE's evaluation of the project proponent's development plans, programs, and compliance roadmap. Pioneer WTE Projects shall be given priority in permitting and regulatory processes, recognizing their dual role in renewable energy generation and sustainable solid waste management. Pursuant to Executive Order (EO) No. 30, s. 2017, such projects shall be automatically certified as EPNS.
- 6.3. **Preferential Dispatch.** Pioneer WTE Projects shall be granted Preferential Dispatch, specifically as Priority Dispatch, in the WESM.
- 6.4. **Exemption from CSP.** Any DOE issuance to the contrary notwithstanding, WTE Projects employing thermal combustion technology which are not under the GEAP, regardless of capacity, shall be exempt from the conduct of CSP.
- 6.5. **Recognition as Host Beneficiaries.** LGUs supplying MSW feedstock to Pioneer WTE Projects shall also be considered as host beneficiaries for the purpose of receiving the benefits under DC No. DC2025-10-0023.

For clustered LGUs, the benefits shall be allocated proportionately to each LGU based on each LGU's validated contribution to the Pioneer WTE Project's MSW feedstock requirement. LGUs participating in a cluster shall jointly establish a transparent and auditable system to measure the volume, composition, and frequency of MSW delivered to the Pioneer WTE Project.

Developers of Pioneer WTE Projects shall implement a Local Employment Plan that gives clear preference to qualified residents of host communities, including HUCs or individual or clustered LGUs supplying MSW feedstock to Pioneer WTE Projects. Employment mechanisms shall reflect culturally appropriate and inclusive processes where Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) are present.

Benefits shall be shared equitably in accordance with DC No. DC2025-10-0023.

- 6.6. **Assistance in Negotiations with LGUs and the MMDA.** The DOE shall extend full assistance to developers of Pioneer WTE Projects in every stage of negotiations with the concerned LGUs and, if applicable, the MMDA. Such assistance shall include, but not be limited to, conducting Information, Education and Communication campaigns for the procurement of Resolutions of Support/No Objection, supporting efforts that facilitate MSW feedstock for Pioneer WTE Projects under the GEAP, and proposing mechanisms to minimize the economic impact of such compliance to consumers, such as through subsidies on electricity bills sourced from the LGUs', or MMDA's savings on tipping fees.

Section 7. Conditions for Continuing Availment. The incentives granted to Pioneer WTE Projects under this Circular shall be subject to strict compliance with all laws, rules and regulations, including the Terms of Reference for Special Auction Round for WTE, and the WTE Operating Contract.

RULE IV POLICY FRAMEWORK FOR SUCCEEDING WTE PROJECTS

Section 8. Role and Responsibilities of Government Agencies and Other Entities. – After assessing the initial phase and operations of Pioneer WTE Project/s and to sustain the implementation of the principles under this Circular, the following agencies and entities shall have the following roles and responsibilities:

- 8.1. **Department of Energy (DOE).** In addition to its functions under Rule II, Section 4.1 of this Circular, the DOE shall:
- 1) Assess the appropriate mechanisms, arrangements, and platforms for the further integration and full offtake of succeeding WTE projects in the power system, to ensure their financial and operational viability, while maximizing their contribution to energy security and waste management.
 - 2) Ensure that the formulation of the Power Supply Procurement Plans (PSPPs) of DUs includes appropriate allocations or space for WTE capacities, in a manner that aligns with each DU's optimal energy mix, and in compliance with the EPIRA mandate to deliver least-cost power supply to their respective franchise areas.
 - 3) Conduct monitoring, coordination, and verification activities to ensure compliance with the rules, timelines, and requirements issued under this Circular and other relevant policies.
 - 4) Formulate policies to support further market-based integration of WTE projects, including but not limited to, the potential establishment of complementary electricity markets such as a Capacity Market, a Futures Market, or Waste Credits Scheme, to

incentivize the environmental and grid reliability contributions of WTE.

8.2. **ERC.** In addition to its functions under Rule II, Section 5.1 of this Circular, the ERC shall:

- 1) Update, if necessary, the rules and guidelines for determination and appropriate price-setting methodology applicable to WTE generation, including the development of a tariff structure that reflects the dual benefits of WTE in energy generation and waste management. This may include setting benchmark tariffs or tariff ranges for WTE projects and enabling appropriate offtake arrangements with DUs and other eligible buyers.
- 2) Provide other regulatory support necessary to ensure the efficient integration of WTE projects into the energy market and to achieve the objectives of this Circular.

8.3. **TNP and SO.** In addition to their functions under Rule II, Section 5.2 of this Circular, the TNP and SO shall:

- 1) Construct, enhance, or upgrade the necessary transmission infrastructure to support the effective integration and distribution of electricity generated from WTE facilities into the grid, including provisions for future multi-site or clustered WTE developments, and the reliable transfer of such generation to DUs.
- 2) Formulate or amend, in collaboration with the Market Operator, the dispatch protocols for electricity generated from WTE facilities, with consideration of WTE's role as a reliable baseload source.
- 3) Perform other acts necessary for seamless integration, grid harmonization, and reliable operation of WTE projects within the national transmission system.

8.4. **Independent Market Operator (IMO).** The IMO shall:

- 1) Conduct studies and assessments on suitable market mechanisms for WTE integration, including the potential adoption of models such as Contracts for Difference (CfD), Waste Diversion Credits, or other incentive-based instruments that recognize the dual environmental and energy contributions of WTE projects;
- 2) Facilitate the efficient and transparent participation of electricity generated from WTE facilities in the market, consistent with existing market conditions and governing rules and regulations;

- 3) Propose and facilitate amendments to the WESM Rules and Market Manuals, particularly the Dispatch Protocol, in coordination with the SO and the WESM-Rules Change Committee, to ensure the preferential dispatch and baseload characteristics of WTE projects are efficiently and transparently integrated into market operations, subject to the approval of the DOE.
 - 4) Perform all acts consistent with the issuances of the DOE pursuant to this Circular.
- 8.5. **Mandate of Other Concerned Unit(s)** – The REMB-BEMD of the DOE, or any subsequent or successor entities or bodies, shall continue to perform its functions under Rule II, Section 4.2 of this Circular and ensure that policies remain aligned with the development, integration, and expansion of succeeding WTE projects.
- 8.6. **Other Government Agencies and Entities.** The DOE may seek the assistance of other government agencies and instrumentalities, as well as private sector entities, to achieve the objectives of this Circular relative to the development and deployment of current and future WTE projects.

RULE V SUPPLEMENTAL GEAP GUIDELINES FOR SPECIAL AUCTION ROUND FOR WTE

Section 9. Qualified Supplier. – RE Developers/Generators whose WTE Operating Contract (WTEOC) or Biomass Renewable Energy Operating Contract (BREOC)/Biomass Energy Operating Contract (BEOC) was awarded, or the assignment thereof was approved, pursuant to the Omnibus RE Guidelines or the Revised Omnibus RE Guidelines, as applicable, including any amendments thereof, on or before the end of the registration period under the applicable Terms of Reference, and who are eligible to participate in the GEA as determined by the Green Energy Auction Committee under Section 6.1 of the GEAP Guidelines, as amended, may participate in the Special Auction Round for WTE.

For the avoidance of doubt, an RE Developer whose BREOC/BEOC (1) was awarded prior to the effectivity of the Revised Omnibus RE Guidelines and (2) has a development scheme for biomass technology, shall not be deemed a "Qualified Supplier" for purposes of the Special Auction Round for WTE unless all of the following requirements are complied with:

- (1) The RE Developer's BREOC/BEOC has a development scheme for WTE utilizing thermal combustion technology to process MSW;

- (2) The DOE approved the change in development scheme, in accordance with the Revised Omnibus RE Guidelines, after determining that the following requirements had been satisfactorily met:
 - a. Proposed Work Program covering the activities to be undertaken to complete the amendment from a biomass project to a WTE project, taking into consideration the attainment of Commercial Operations on or before 31 December 2029; and
 - b. Completed Feasibility Study, which shall include a Waste Analysis and Characterization Study (WACS); and
- (3) The change in the development scheme was approved by the DOE on or before the end of the Registration Period.

Likewise, an RE Developer holding a WTEOC but employing non-thermal combustion technology shall not be eligible to participate in the Special Auction Round for WTE unless such RE Developer complies with the foregoing requirements.

Section 10. GEAR Price Determination. In determining the GEAR Price for the Special Auction Round for WTE Projects, the ERC shall apply the price-setting methodology developed pursuant to Rule II, Section 5.1, guided by the principles set forth in Rule I, Section 2.6 of this Circular.

Section 11. Supply Delivery Period. Subject to Rule II, Section 3 of this Circular, the Supply Delivery Period of a Pioneer WTE Project under the GEAP shall be twenty-five (25) years from the issuance of COC or PAO from the ERC.

RULE VI ALTERNATIVE OFFTAKE ARRANGEMENT FOR PIONEER WTE PROJECTS

Section 12. Assured Offtake. – A DU or other offtaker serving the franchise area where a Pioneer WTE Project is located shall be obligated to contract a portion of its supply from such facility, subject to existing PSAs: Provided, That the WTE capacity aligns with the DU's identified system capacity requirements, as validated in its latest PSPP: Provided, Further, That DUs shall consider Pioneer WTE Projects in their PSPP. In complying with this provision, the DU or other offtaker shall consider the GEAR Price set by the ERC for the Special Auction Round for WTE as a reference point in determining the price of electricity.

RULE VII MISCELLANEOUS PROVISIONS

Section 13. Applicability and Transition. – Unless otherwise amended or subject to subsequent issuances of the DOE, all rules applied to Pioneer WTE Projects, except Rules III, V, and VI of this Circular, shall likewise govern the succeeding WTE projects.

Section 14. Separability. – If for any reason, any section or provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 15. Repealing Clause. – DC No. DC2026-04-0011 shall be superseded by this Circular. All other previous issuances, rules, and regulations inconsistent with the provisions of this Circular are likewise repealed or amended accordingly.

Section 16. Effectivity. –This Circular shall take effect immediately following its publication in two (2) newspapers of general circulation or in the Official Gazette. A copy of this Circular be furnished to the University of the Philippines Law Center-Office of National Administrative Register (UPLC-ONAR).

Issued at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City on
08 JUL 2026 2026.


SHARON S. GARIN
Secretary

