

[DOE DEPARTMENT CIRCULAR NO. DC 2013-01-0001, January 09, 2013]

DIRECTING THE PHILIPPINE ELECTRICITY MARKET CORPORATION TO DEVELOP AND IMPLEMENT AN INTERIM MINDANAO ELECTRICITY MARKET (IMEM) AS A MEASURE TO IMMEDIATELY ADDRESS THE POWER SUPPLY SITUATION IN MINDANAO

WHEREAS, pursuant to the declared policy of the State under Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), the Department of Energy (DOE) is mandated to ensure the reliability, quality and security of supply of electric power;

WHEREAS, the Mindanao grid has been experiencing power supply situation, which at times result to rotating brownouts in some areas due to generation capacity deficiencies to meet the energy and ancillary services requirement;

WHEREAS, the DOE issued Department Circular No. 2010-10-0011 on 12 October 2010 and Department Circular No. 2012-03-0004 on 19 March 2012, enjoining all electric power industry participants to rationalize and maximize the available power generation capacities in the Mindanao grid to address the power situation Mindanao;

WHEREAS, as a follow up to the Mindanao Power Summit held on 13 April 2012, a series of focused group discussions, consultations and meetings with relevant electric power industry participants in Mindanao and concerned energy agencies, were spearheaded by the DOE and jointly with the attached agencies and Philippine Electricity Market Corporation (PEMC) to implement and operationalize the identified measures to address the Mindanao power situation;

WHEREAS, the DOE recognizes the urgent need to develop and implement a roadmap to deliver the sustainable solutions to the Mindanao power situation taking into consideration the current and future power supply and demand situation and the socio-economic, environmental, and peace and order factors, among others;

WHEREAS, all stakeholders in Mindanao including the concerned government agencies, business groups and Local Government Units are enjoined to participate and cooperate in the implementation of the roadmap that contains the solutions to the electric power concerns in Mindanao;

WHEREAS, there is a need to establish a venue for transparent and efficient utilization of all available capacities particularly during periods wherein the contracted supply capacities of the load customers such as the distribution utilities and industrial customers are not enough to meet their demand, and at the same time reflecting the true cost of electric power to encourage dispatch and utilization of existing available power generating facilities and/or to attract the entry of new generating capacities in Mindanao;