

[DOE CIRCULAR NO. 98-02-002, February 02, 1998]

SUSPENDING THE RECEIPT AND PROCESSING OF PRIVATE SECTOR APPLICATIONS FOR ACCREDITATION OF POWER GENERATION PROPOSALS

WHEREAS, the National Power Corporation and the Manila Electric Company have entered into with Shell Exploration B.V. and Occidental Philippines, Inc. an agreement for the supply of the Camago-Malampaya natural gas for their power projects with generating capacities of 1,200 MW and 1,500 MW, respectively, which generation capacities are capable of meeting significant levels of future power demand growth in the Luzon grid;

WHEREAS, the commissioning and operation of the said power generation projects shall help determine the country's incremental power capacity requirements and shall contribute in setting the course of future power development;

WHEREAS, the foregoing have highlighted the need to closely monitor the entry of new generation capacity and to evaluate power supply-demand projections;

WHEREAS, the Department of Energy ("the Department") has been receiving numerous private sector applications for accreditation;

WHEREAS, it is noted that majority of the applications constitute proposals for the construction and operation of power generation projects utilizing imported energy resources, which projects do not conform with the Department's long-term policy of (i) lowering the country's dependence on imported energy especially in power generation, and (ii) reducing the foreign exchange requirements for the energy sector;

WHEREAS, the Department deems it timely and appropriate to suspend receipt and processing of accreditation applications;

ACCORDINGLY, notice is hereby being given to the public that the Department is indefinitely suspending the receipt and processing of private sector applications for accreditation of proposals for the construction and operation of power generation facilities, provided, however, that the following shall be exempted from said suspension:

- (i) power generation projects under the Power Development Program of the Department;
- (ii) renewable energy projects as defined under Department Circular No. 97-01-001; and