

**[DE DEPARTMENT CIRCULAR NO. 96-08-010,
August 26, 1996]**

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

WHEREAS, the Department of Energy (the "Department"), as part of its mandate under the Energy Act of 1992, is embarking upon a major restructuring of the Philippine power sector to ordain reforms in the electricity industry;

WHEREAS, the Department is in the process of formulating an "Omnibus Electric Power Industry Act" which will enable restructuring and privatization of the national Power sector and transform it into a truly privatized, competitive electricity industry;

WHEREAS, the restructuring efforts will define the organization of the electricity industry, the transition to the desired competitive structure, and the responsibilities of the various government agencies and private entities during and after the restructuring process;

WHEREAS, the outcome of the restructuring efforts will set the course of future power development;

WHEREAS, Section 2 of Energy Regulations No. 1-95 (Rules and Regulations Implementing Executive Order No. 215 on Private Sector Participation in Power Generation) Provides that " these rules and regulations shall be an interim set of rules that shall be amended, replaced, or repealed in due time as restructuring and privatization efforts for the Philippine power industry moves through ongoing and anticipated phases towards an increasingly competitive and efficient industry structure for the Philippine power sector";

WHEREAS, it would now be timely and imperative for the Department to closely monitor the entry of expected power plants and reassess its guidelines for evaluating private power;

WHEREAS, the Department is continuing to receive numerous private sector applications for accreditation;

WHEREAS, it is noted that majority of the applications constitute proposals for the construction and operation of diesel and/or bunker fuel-fired generating plants, which projects do not conform with the Department's long-term policy of reducing the country's dependence on oil especially in power generation;

NOW, THEREFORE, pending the review of existing rules and regulations to implement the provisions of Executive Order No. 215, notice is hereby being given