



DEPARTMENT CIRCULAR NO. DC 2025-10-0019

**FRAMEWORK FOR THE INTEGRATION OF NUCLEAR ENERGY IN THE
COUNTRY'S GENERATION MIX TO IMPLEMENT THE CLEAN ENERGY
SCENARIO UNDER THE PHILIPPINE ENERGY PLAN 2023-2050**

WHEREAS, Republic Act (RA) No. 7638, as amended, otherwise known as "*The Department of Energy (DOE) Act of 1992*," declared it a policy of the State to ensure a continuous, adequate, and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources, and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growth and economic development and taking into consideration the active participation of the private sector in the various areas of energy resource development; and to rationalize, integrate, and coordinate the various programs of the Government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns;

WHEREAS, RA No. 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001*" or the EPIRA, states that it is the policy of the State to, among others: (i) ensure the quality, reliability, security and affordability of the supply of electric power; (ii) protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power; (iii) assure socially and environmentally compatible energy sources and infrastructure; and (iv) promote the utilization of indigenous and new and renewable energy resources in power generation in order to reduce dependence on imported energy;

WHEREAS, the EPIRA mandates the DOE to, among others: (i) formulate policies for the planning and implementation of a comprehensive program for the efficient supply and economical use of energy consistent with the approved national economic plan and with the policies on environmental protection and conservation and maintenance of ecological balance, and provide a mechanism for the integration, rationalization, and coordination of the various energy programs of the Government; (ii) develop and update annually the existing Philippine Energy Plan (PEP), which shall provide for an integrated and comprehensive exploration, development, utilization, distribution, and conservation of energy resources, with preferential bias for environment-friendly, indigenous, and low-cost sources of energy. The PEP shall include a policy direction towards the privatization of government agencies related to energy, deregulation of the power and energy industry, and reduction of dependency on oil-fired plants; and (iii) prepare and update annually a Power Development Program (PDP) and integrate the same into the PEP. The PDP shall consider and integrate the individual or joint development plans of the transmission, generation, and distribution sectors of the electric power industry, which are submitted to the DOE;

WHEREAS, RA No. 12305, otherwise known as the "*Philippine Nuclear Energy Safety Act*," declared it the policy of the State to harness the peaceful, safe and secure use of atomic energy to provide benefits to the Philippines in the fields of energy production, health and medicine, scientific research, agriculture, industry, education and others;

WHEREAS, the Philippines, as a Member State of the International Atomic Energy Agency (IAEA), is committed in ensuring the peaceful use of nuclear technology in the country, adhering to the principles of safety, security, and safeguards;

WHEREAS, Executive Order (EO) No. 116, series of 2020, created the Nuclear Energy Program Inter-Agency Committee (NEP-IAC) to study the adoption of a National Position on a Nuclear Energy Program, in accordance with pertinent IAEA guidelines and relevant laws, rules, and regulations;

WHEREAS, EO No. 164, series of 2022, entitled "*Adopting a National Position for a Nuclear Energy Program, and for Other Purposes*," provides that the State envisions nuclear power as a viable component to bridge the gap between rising energy demands and supply, taking into account learnings from the past, national, social and economic development pathways, as well as international legal and regulatory frameworks, and best practices;

WHEREAS, building upon the foregoing national position, the DOE published the PEP 2023-2050, incorporating a Clean Energy Scenario (CES), which envisions a more diverse energy mix and a phased entry of nuclear energy in the country's power generation mix, beginning with 1,200 MW of capacity, with operations targeted to commence by 2032, increasing to 2,400 MW by 2035, and 4,800 MW by 2050;

WHEREAS, the integration of nuclear energy into the power generation mix as a long-term, clean, and reliable baseload energy source is a strategic decision anchored on energy security, affordability, and inclusivity to support national development and societal advancement;

WHEREAS, the integration of nuclear energy into the power generation mix represents an innovative initiative which promotes diversification of energy sources, poised to stimulate local economies, creates significant employment opportunities, attracts investment, and leads to the creation of new economic opportunities and economic growth;

WHEREAS, the commercial development of the first or pioneer nuclear power plant in the Philippines represents a significant milestone in the Philippine energy landscape, resulting in anticipated lowering of electricity costs, and a positive major environmental impact, making it a key player in the country's commitment to achieving a low-carbon economy;

WHEREAS, there is a need to establish a well-defined framework to attract potential investor interest for the first nuclear power generation facility in the Philippines, while, at the same time, ensuring a seamless and efficient integration of nuclear energy in the power generation mix; and

WHEREAS, the draft Circular was presented, and comments were solicited from stakeholders on 15 July 2025.

NOW, THEREFORE, in consideration of the foregoing premises, the DOE hereby issues, adopts, and promulgates the following policy framework for the integration of nuclear energy in the country's generation mix:

RULE I GENERAL PRINCIPLES

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

Section 2. Guiding Principles. – The government shall endeavor to provide a conducive industry environment for the commercial development of a nuclear power plant (NPP) in the country, guided by the following principles:

- 2.1 Energy Security.** The commercial development and operation of an NPP, including, but not limited to, large-scale conventional reactors, Small Modular Reactors (SMRs), Microreactors, and Floating NPPs, shall contribute to a diversified and stable power supply for distribution utilities (DUs), retail electricity suppliers, and other bulk users. Power generated from NPPs shall be designed to complement variable renewable energy sources by providing reliable, dispatchable baseload power that supports overall grid stability and energy system resilience.
- 2.2 Environmental Sustainability.** The country's commercial development and operation of an NPP is a step towards mitigating Greenhouse Gas (GHG) emissions and achieving the country's nationally determined contributions under the Paris Agreement, driven by policy studies and project proposals which incorporate full life cycle assessments to evaluate environmental impacts, including those from uranium mining, plant decommissioning, and radioactive waste management.
- 2.3 Grid Harmonization and Integration.** The entry of nuclear energy in the power generation mix of the country shall require the construction, enhancement, and advanced planning of the current transmission lines and facilities, and the procurement of appropriate ancillary services integrated into the Transmission Development Plan (TDP) and supported by grid impact studies to accommodate the power produced from these plants to achieve the PEP targets and the objectives of this Circular.
- 2.4 Competitive Pricing.** The commercial development and operation of an NPP, once optimally blended with the generation cost of DUs, can effectively lower electricity rates. Thus, DUs shall ensure a ready market for available capacities from the first commercially developed NPP, which shall be exempt from the conduct of Competitive Selection Process (CSP): *Provided*, that DUs are compliant with the provisions of the EPIRA and this Circular: *Provided*,

further, that DUs that meet any of these qualifications may apply for prioritization for the supply of capacity from such NPP:

- a. Demonstrate the technical and financial capability to enter into long-term power purchase agreements with an NPP;
- b. Serve a sufficiently large consumer base; or
- c. Show documented supply deficiencies that may be alleviated by new baseload generation.

Nothing in this Circular shall be interpreted to preclude other DUs from availing of NPP capacity once the prioritized allocations have been met.

2.5 Public Health Protection. The integration of nuclear energy into the country's power generation mix shall be pursued with due consideration to public health and safety, which aligns with national health policies and standards. The government shall ensure inter-agency coordination to support health emergency preparedness, promote environmental health safeguards, and strengthen community health resilience in areas affected by nuclear energy projects.

RULE II POLICY FRAMEWORK FOR THE PIONEER NPP PROJECT

Section 3. *Pioneer NPP Project.* – The first commercially developed and operated NPP in the Philippines shall be considered a *Pioneer project*, hence, must be provided with a conducive and competitive environment to stir further development in the Philippine energy landscape.

The Pioneer NPP shall be considered a baseload plant and shall be granted priority dispatch, in coordination with the DOE, the Independent Market Operator (IMO), and the System Operator (SO), regardless of the nuclear technology to be considered for development.

Section 4. *Role and Responsibilities of Government Agencies.* – To provide the most conducive environment for the first commercial development of an NPP and lay the policy foundations for succeeding NPPs, the following agencies and entities shall have the following roles and responsibilities:

- A. **DOE.** Within ninety (90) days from the issuance of this Circular, the DOE shall:
 1. Explore alternatives for the role of the Government in the Pioneer NPP;
 2. Study the options for financing and funding, in coordination with the NEP-IAC, Department of Finance (DOF), Department of Economy, Planning, and Development (DEPDev), Maharlika Investment Corporation, and any other relevant government agencies;
 3. Plan, together with Transmission Network Provider (TNP) and SO, in coordination with relevant electric power industry stakeholders, to ensure

the availability of transmission capacity and facilities within the target delivery date for the country's first commercial NPP;

4. Design appropriate mechanisms and arrangements to accommodate the integration of the Pioneer NPP and ensure that available capacities from such power plant are fully contracted or assured with an offtake to be financially viable for operation, including the possibility of auction, direct contracting, or aggregation for own use [i.e., industrial parks, special economic zones, contestable market] or other mechanisms. Such mechanisms shall be evaluated in view of the plant's expected cost structure and long investment horizon;
 5. Evaluate possible policies, together with Energy Regulatory Commission (ERC) and the National Electrification Administration (NEA), for the integration of nuclear energy in the Power Supply Procurement Plans (PSPP) of private DUs and electric cooperatives (ECs);
 6. Evaluate and formulate policies to enhance benefits for host communities of the Pioneer NPP, including opportunities in labor and livelihood, and measures to lower consumer electricity costs;
 7. Identify and/or formulate additional policy measures to address issues and concerns involving nuclear energy development, including permitting and licensing procedures, in consultation with relevant private sector stakeholders and potential developers; social awareness and acceptability; and other matter necessary to achieve the objectives of this Circular;
 8. Identify and propose fiscal and non-fiscal incentives for Pioneer NPP and succeeding NPPs, considering the economic benefits, employment opportunities, and social impacts of the project;
 9. Coordinate with the Energy Virtual One-Stop Shop (EVOSS) Steering Committee, other relevant government agencies, and local government units (LGUs) to evaluate the integration of the permitting process into the EVOSS System; and
 10. Coordinate with the Philippine Atomic Energy Regulatory Authority (PhilATOM), other government agencies, and relevant stakeholders to pursue the policies set forth in this Circular.
- B. *ERC*. Within ninety (90) days from the issuance of this Circular, and subject to public consultation, the ERC shall:
1. Formulate rules and guidelines for the determination of the appropriate price-setting methodology applicable for the operation of the Pioneer NPP. This includes, among others, setting the reserved price or tariff range for nuclear energy.

To this end, the ERC shall, in consultation with relevant stakeholders, adopt a pricing regime similar to the Regulatory Asset Base (RAB) Model or a similar long-term capital recovery mechanism which considers the high upfront cost of construction and initial phase of the Pioneer NPP and its long operational period, e.g., sixty (60) to eighty (80) years, depending on the technology and the license issued by the PhilATOM.

In case of power supply contracts, the ERC shall adopt a policy for a minimum contract period of the Pioneer NPP of twenty-five (25) years which shall commence from the project's commercial operation date, which may be extended for another twenty-five (25) years, or such other periods that the ERC may determine based on the plant's estimated lifespan and the license issued by the PhilATOM;

2. Issue the necessary rules to incorporate costs for refurbishment and maintenance during commercial operations of the Pioneer NPP, consistent with the principles of cost-of-service regulation, and subject to the license issued by the PhilATOM;
3. Issue the necessary rules and requirements for the issuance of Certificate of Compliance for nuclear energy facilities, in coordination with relevant government agencies, to ensure regulatory alignment and safe integration into the power system;
4. Issue the necessary rules and requirements for grid enhancements to incorporate and harmonize generation from nuclear power, *i.e.*, amendments to the Philippine Grid Code, Philippine Distribution Code, and the Open Access Transmission Service;
5. Conduct capacity building for regulatory personnel, in partnership with the Nuclear Energy Program Implementing Organization (NEPIO) and international institutions, including training on long-term economic modeling, risk-based rate setting, and nuclear-specific consumer impact analysis; and
6. Provide other regulatory support necessary to achieve the objectives of this Circular.

C. *TNP and SO.* The TNP and SO shall:

1. Maintain close and regular communication with the developer of Pioneer NPP from the start of the project through construction and transmission to ensure timely exchange of information about the plant's safety, security, and operations and to keep the power system reliable and safe.

The DOE and its attached agencies, such as the National Transmission Corporation (TransCo), shall be included in such communications to ensure policies are followed and the transmission system is properly managed;

2. Build the necessary transmission infrastructure in time to support the effective integration and distribution of nuclear energy from the Pioneer NPP to the grid.

The transmission network must be able of accommodating the entry of a 1,200MW NPP by 2032, or such capacity declared in the PEP;

3. Issue the necessary System Impact Study and Facility Study, as the case may be, within four (4) months from submission of complete application, and enter into the relevant agreements with the Pioneer NPP, such as the Connection Agreement, Metering Services Agreement and Transmission Services Agreement, each in a timely manner;
4. Include nuclear energy in the expansion and enhancement of the national grid in the next TDP after the issuance of this Circular, in line with IAEA Standards for such projects;
5. Conduct and publish a grid readiness assessment for the integration of the Pioneer NPP, which shall be reflected in the TDP. This assessment shall identify key transmission requirements, system impacts, and timeline alignment needs;
6. Ensure the dispatch of generation by the Pioneer NPP as baseload and procure the necessary ancillary services (AS);
7. Build internal manpower capacity for the entry and operation of the Pioneer NPP, in partnership with the NEPIO or with other development partners; and
8. Perform other acts necessary for the integration and harmonization of the Pioneer NPP in the grid.

Section 5. Mandate of Other Concerned Unit(s). – The NEPIO and the Nuclear Energy Division (NED), under the Energy Utilization Management Bureau (EUMB) of the DOE, or any subsequent or successor entities or bodies, in addition to their respective mandates under existing guidelines and regulations, shall have the following responsibilities:

- 5.1 Together with the Electric Power Industry Management Bureau (EPIMB) and other relevant bureaus of the DOE, provide technical assistance to the developer/owner/operator of the Pioneer NPP;
- 5.2 Assist in and monitor the compliance of the concerned agencies and entities with their responsibilities under this Circular;
- 5.3 Consolidate the developments made by concerned entities and update them of such actions under this Circular;

- 5.4 Coordinate with and seek the assistance of relevant government agencies and instrumentalities, other than those mentioned in this Circular, as well as private entities, to implement the policies and achieve the purposes of this Circular;
- 5.5 Lead or partner with development partners in the conduct of capacity building with relevant agencies and entities on nuclear energy; and
- 5.6 Perform other duties as may be assigned or delegated by the Secretary.

Section 6. *Incentives in Support of the Pioneer NPP in the Energy Sector.* – The Pioneer NPP shall be entitled to the following incentives:

- 6.1 The Pioneer NPP shall be automatically certified as an Energy Project of National Significance (EPNS), which will entitle it to all the rights and incentives under EO No. 30 and other related issuances of the DOE. The CEPNS of the Pioneer NPP may be issued prior to the filing of any applications for permits and licenses, subject to evaluation by the DOE of the proponent's plans and programs. Within ninety (90) days from the issuance of this Circular, the DOE shall issue the corresponding policies to facilitate an accelerated but efficient processing of NPP permits and authorizations, including processes for documents required prior to actual application.
- 6.2 Subject to other applicable laws and regulations, the Pioneer NPP may avail of existing fiscal and non-fiscal incentives.

RULE III POLICY FRAMEWORK FOR SUCCEEDING NPPs

Section 7. *Role and Responsibilities of Government Agencies.* – After assessment of the initial phase and operations of the Pioneer NPPs and to sustain the implementation of the principles under this Circular, the following agencies and entities shall have the following roles and responsibilities:

- A. **DOE.** In addition to its functions under Section 4(A) of Rule II of this Circular, the DOE shall:
 - 1. Assess the appropriate mechanisms, arrangements, and platforms for the further integration and full offtake of succeeding NPPs in the grid for the financial and operational viability of all NPPs;
 - 2. Ensure that the formulation of the PSPPs of DUs and ECs shall be in such a manner as to accommodate the integration of nuclear energy, consistent with their respective optimal energy mix and EPIRA mandate to ensure provision of least-cost power supply to its franchise area;
 - 3. Conduct monitoring, coordination, and verification of compliance with the rules and requirements issued pursuant to this Circular;

4. Supervise and monitor any contracts for nuclear energy entered into by DUs to ensure compliance with their least-cost mandate under the EPIRA; and
 5. Formulate policies, including the possible establishment of additional electricity markets, such as a Capacity Market and a Futures Market, and enhance the scheduling and settlement mechanism, as part of the measures to address issues and concerns related to nuclear energy and achieve the objectives of this Circular.
- B. *ERC*. In addition to its function under Section 4(B) of Rule II of this Circular, the ERC shall:
1. Update, if necessary, the rules and guidelines for the determination of the appropriate price-setting formula for nuclear power generation, prospective contracting by DUs, and participation in other offtake platforms, which includes, among others, the setting of the reserved price or tariff range for nuclear;
 2. Ensure the compliance of NPP owners/operators, DUs, and other regulated entities with the provisions on Cross Ownership, Market Power Abuse, and Anti-Competitive Behavior under Section 45 of the EPIRA;
 3. Impose fines and penalties for any non-compliance or violations under this Circular and other relevant laws, rules, and regulations; and
 4. Provide other regulatory support necessary to achieve the objectives of this Circular.
- C. *TNP and SO*. In addition to its functions under Section 4(C) of Rule II of this Circular, the TNP and SO shall:
1. Construct, enhance, or modify the necessary transmission infrastructure ready to support the effective integration and distribution of nuclear energy in the grid, including provisions for future multi-unit and multi-site NPPs, and the harmonized transfer of such power generation to DUs and ECs;
 2. Formulate or amend protocols for the dispatch of generation by NPPs and the provision of necessary AS; and
 3. Perform other acts necessary for the smooth integration and harmonization of NPPs in the grid.

D. IMO. The IMO shall:

1. Conduct studies and assessments on mechanisms such as the use of Contract for Difference Model or Zero Emission Credit (ZEC) for the further integration of nuclear power generation in other energy platforms and offtake arrangements;
2. Establish efficient market conditions that can facilitate the future trading of nuclear-generated energy; and
3. Perform all acts consistent with the issuances of the DOE pursuant to this Circular.

Section 8. Mandate of Other Concerned Unit(s). – The NEPIO and the NED, under the EUMB of the DOE, or any subsequent or successor entities or bodies, shall continue to perform its functions under Rule II and ensure that policies remain aligned with succeeding NPPs as well.

The DOE may seek the assistance of other government agencies and instrumentalities or other private entities to achieve the purposes of this Circular relative to succeeding NPPs.

RULE IV MISCELLANEOUS PROVISIONS

Section 9. Applicability and Transition. – Unless otherwise amended or subject to subsequent issuances of the DOE, all rules applied to the Pioneer NPP shall likewise govern the succeeding NPPs.

Section 10. 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 11. Repealing Clause. – All other previous issuances, rules, and regulations inconsistent with the provisions of this Circular are likewise repealed or amended accordingly.

Section 12. Effectivity. – This Circular shall take effect fifteen (15) days following its publication in a newspaper 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 Energy Center, Rizal Drive, Bonifacio Global City, Taguig City on
OCT 02 2025 2025.


SHARON S. GARIN
Secretary

