



DEPARTMENT CIRCULAR NO. DC2026-10-0021

**SUPPLEMENTAL GUIDELINES FOR THE IMPLEMENTATION AND
ENFORCEMENT OF DEPARTMENT CIRCULAR NO. DC2026-02-0006,
OTHERWISE KNOWN AS THE "POWER GENERATOR ACCOUNTABILITY
POLICY," AND OTHER RELATED ISSUANCES**

WHEREAS, Republic Act (RA) No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992," mandates the Department of Energy (DOE) to formulate, implement, monitor, and coordinate policies and programs to ensure a continuous, adequate, reliable, secure, and economic supply of energy;

WHEREAS, RA No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA), mandates the DOE to develop policies and procedures to encourage electric power industry participants to provide adequate and reliable electric supply, monitor private sector activities relative to energy projects, and ensure the quality, reliability, security, and affordability of electric power;

WHEREAS, Department Circular (DC) No. DC2026-02-0006, otherwise known as the "Power Generator Accountability Policy," requires Generation Companies (GenCos) to comply with reportorial requirements, annual self-assessments, operational obligations, and other accountability mechanisms, and authorizes the DOE to monitor compliance, conduct inspections, issue advisories, and refer violations to the Energy Regulatory Commission (ERC) and other related agencies, as appropriate;

WHEREAS, Section 25 of DOE DC2026-02-0006 provides that the ERC, in accordance with its powers and functions under the EPIRA, shall promulgate the necessary guidelines and amendments to its existing policies to implement the provisions thereof;

WHEREAS, to ensure the clear, consistent, and effective implementation of DC No. DC2026-02-0006, there is a need to establish a uniform procedure for the following:

1. **Enforcement Actions:** Issuing Show Cause Orders (SCOs), processing extension requests, evaluating explanations, and applying corrective measures and progressive administrative sanctions;
2. **Certificates of Endorsement (COEs):** Factoring a GenCo's compliance status into the evaluation, approval, or renewal of its COEs; and
3. **Regulatory Coordination:** Referrals of appropriate matters to the ERC and collaborating on the development, issuance, or updating of relevant guidelines.

NOW, THEREFORE, in consideration of the foregoing premises, the DOE hereby issues, adopts, and promulgates this Supplemental Policy for the accountability of entities engaged in power generation pursuant to DC No. DC2026-02-0006:

RULE I GENERAL PRINCIPLES

Section 1. *Title.* – This Circular shall be known and referred to as the “**Supplemental Power Generator Accountability Policy.**”

Section 2. *Rationale.* – This Circular is promulgated to strengthen the implementation and enforcement of obligations of GenCos under DC No. DC2026-02-0006 and other applicable issuances by establishing a uniform and transparent framework for monitoring compliance, issuing notices and orders, evaluating explanations, and implementing corrective actions. It seeks to ensure the timely submission of complete, accurate, and transparent reports, promote due process and regulatory consistency in enforcing reportorial obligations, and support the DOE's mandate to uphold the reliability, adequacy, security, and resilience of the electric power industry. This Circular likewise aims to protect and promote public interest as it is affected by the rates and services of electric utilities and other providers of electric power.

Section 3. *Construction.* – This Circular shall be liberally construed to attain the objectives of the EPIRA, its Implementing Rules and Regulations, and DC No. DC2026-02-0006. In case of ambiguity, the interpretation or construction that is consistent with these laws, as well as other related issuances of the DOE, shall prevail.

RULE II ENFORCEMENT OF GENCO OBLIGATIONS

Section 4. *Continuing Obligation to Comply with Reportorial Requirements.* – All GenCos shall timely submit complete, accurate, consistent, and transparent reports, data, information, and supporting documents as required under the following:

- 4.1 DC No. DC2026-02-0006;
- 4.2 DC No. DC2022-02-0001, titled “*Providing Policies for the Systematic Management of the DOE Reportorial Requirements for the Electric Power Industry Participants*”
- 4.3 DC No. DC2024-02-0008, titled “*Providing a Supplemental Policy for the Systematic Management of the DOE Reportorial Requirements of Electric Power Industry Participants – Generation Companies*”;
 - 4.3.1 DC No. DC2010-03-0003, titled “*Directing All Power Generation Companies, the Transmission Service Provider, and All Distribution Utilities to Ensure Adequate and Reliable Electric Power Supply in the Country*”; and
 - 4.3.2 Other related rules, regulations, issuances, advisories, and directives administered or enforced by the DOE, including any amendments, revisions, supplements, or successor issuances thereto.

- 4.4 Compliance with reportorial requirements shall be a continuing obligation. The submission of an incomplete, inaccurate, inconsistent, or otherwise deficient report shall not be deemed full compliance unless the deficiency is corrected within the period prescribed by the DOE.

Section 5. Implementation and Compliance Monitoring. – The Electric Power Industry Management Bureau (EPIMB) of the DOE shall be the official point of contact for all matters arising under this Circular. The EPIMB shall monitor the compliance status of each GenCo, maintain records of all offenses and administrative proceedings, issue supplemental forms, templates, notices, and implementing instructions as needed, and undertake such other actions as may be necessary to implement the objectives of this Circular, DC No. DC2026-02-0006, and other applicable laws, rules, regulations, and issuances.

All GenCos shall register and designate their authorized representative through the DOE Electric Power Database Management System (DEPDMS), and shall ensure that their registration, authorized representative, and all contact information and other relevant details in the DEPDMs are complete, accurate, and up to date. All notifications regarding non-submission or delays in compliance shall be made through the DEPDMs.

Section 6. Commencement of Administrative Action. – The DOE may *motu proprio* initiate an administrative action against any GenCo through the issuance of an SCO, in accordance with Rule III of this Circular, without prejudice to the regulatory and enforcement authority of the ERC.

Section 7. Service of Orders and Reckoning of Periods. – SCOs shall be uploaded to the registered account of the GenCo in the DEPDMs. For purposes of computing any period prescribed under this Circular, service or submission shall be deemed complete upon successful transmission through the DEPDMs. The date and time of such successful transmission, as reflected in the DEPDMs and the corresponding electronic mail notification, shall be deemed as the date and time of service or submission.

Where this Circular permits service or submission by registered mail or personal service in addition to the DEPDMs, such mode shall not suspend, toll, or interrupt the running of the prescribed period.

RULE III SHOW CAUSE ORDERS

Section 8. Issuance of SCOs. – Upon determination of a *prima facie* violation, the DOE, through the EPIMB, shall issue an SCO, informing the concerned GenCo of the particular grounds for its issuance and directing the GenCo to explain, within seventy-two (72) hours from receipt of the SCO, unless a different period is prescribed therein.

Section 9. Grounds for Issuance of SCO. – The DOE may issue an SCO against a GenCo on any of the following grounds:

- 9.1 Failure to timely comply with the reportorial requirements under DC No. DC2022-02-0001 and DC No. DC2024-02-0008 as required under Sections 9 and 16 of DC No. DC2026-02-0006, using the prescribed data structures and standard templates under DC No. DC2022-01-0001.

This shall include the submission of all required reports, data, and other information through the DEPDMS using the official account of the designated representative of the concerned entity.

- 9.2 Failure to timely comply with the reportorial requirements as enumerated under Section 10 of DC No. DC2026-02-0006, including:
- 9.2.1 Annual self-assessment report of the parameters prescribed under Annex "A" or Annex "B" of DC No. DC2026-02-0006, as applicable, within the prescribed period;
 - 9.2.2 Reporting on the findings and recommendations of the GenCo regarding its Preventive Maintenance Schedule (PMS), to be submitted within forty-five (45) calendar days from completion of the PMS, pursuant to the applicable Grid Operating and Maintenance Program (GOMP) policy ;
 - 9.2.3 Reporting of Forced Outages, Maintenance Outages, Outside Management Control Outages, unplanned or unexpected shutdowns, or deratings of the generation facility within forty-eight (48) hours from occurrence, pursuant to ERC Resolution No. 4, Series of 2015 and ERC Resolution No. 21, Series of 2016. For compliance purposes, the GenCo shall furnish the DOE with a copy of its submission to the ERC; and
 - 9.2.4 Maintenance of complete and accurate compliance records, including the accomplished Checklists of Standards, PMS implementation results, and corrective actions undertaken.
- 9.3 Submission of reports and documents containing material deficiencies, inconsistencies, or misrepresentations;
- 9.4 Failure to comply with any of the parameters prescribed under Annex "A" or Annex "B" of DC No. DC2026-02-0006, as applicable, consistent with DC No. DC2010-03-0003;
- 9.5 Failure to submit and/or implement a Corrective Action Plan (CAP), Contingency Plan, or any other corrective or compliance measures as required by the DOE, whether independently or in connection with an SCO, within the prescribed period;
- 9.6 Existence of any of the grounds for Incidental/Special Assessment, as provided under Section 11 of DC No. DC2026-02-0006; and
- 9.7 Such other acts or omissions constituting non-compliance with DC No. DC2026-02-0006 and all other applicable issuances, including directives of the DOE pursuant to its mandate to ensure reliability and security of power supply.

- 9.8 For purposes of assessing timely compliance with reportorial obligations, the following shall be considered:
- 9.8.1 For Monthly Reports. – Failure to submit the required monthly reports for three (3) consecutive months, or for a total of three (3) months within a six (6)-month period; and
- 9.8.2 For Annual Reports. – Failure to submit the required annual report within thirty (30) calendar days from the prescribed deadline.
- 9.9 The SCO shall be signed by the Undersecretary supervising the Legal Services, unless otherwise directed by the Secretary.

RULE IV WRITTEN EXPLANATION

Section 10. *Submission of Explanation.* – The GenCo shall submit its explanation in writing, under oath, directly addressing the ground/s cited in the SCO, including proof of compliance or justification for non-compliance, and its proposed corrective measures, where applicable. The written explanation, together with all supporting documents, shall be submitted within seventy-two (72) hours from receipt of the SCO, unless a different period is prescribed therein, through the DEPDMS, electronic mail, or through such other means as may be prescribed or designated by the DOE.

If the last day of a prescribed period or deadline falls on a Saturday, Sunday, or legal holiday, the period or deadline shall be extended until the next working day

Pending the availability of the appropriate functionality in the DEPDMS for submission of responses to an SCO, the GenCo shall submit its written explanation and all supporting documents through the electronic mail address or other means specified in the notification issued to the GenCo upon the uploading or issuance of the SCO.

Section 11. *Request for Extension of Time.* – The GenCo may request an extension of time to submit its explanation, provided that such request is submitted through a written notice transmitted through electronic mail, before the expiration of the period prescribed in the SCO.

No request for extension of time shall be granted unless the same clearly states the grounds relied upon and is accompanied by supporting documents, where applicable.

Section 12. *Evaluation of Explanation.* – Upon receipt of the GenCo's written explanation and supporting documents, the DOE shall evaluate such submissions to determine the GenCo's compliance with the applicable requirement/s and the sufficiency of its explanation.

If necessary for the conduct of the evaluation, the DOE may: (a) require the submission of additional supporting documents or clarifications, within such period as may be specified; or (b) conduct inspections, site visits, or such other assessments

and validation activities to verify the accuracy of the GenCo's submissions, declarations, and supporting documents.

Section 13. *Issuance of Orders.* – Within fifteen (15) working days from receipt of the written explanation and all supporting or additional documents, or from the completion of the inspection, site visit, or assessment, as may be applicable, the DOE shall issue a written Order either: (a) accepting the explanation as satisfactory or otherwise sufficient; or (b) determining the existence of a violation.

Where the DOE determines the existence of a violation, the Order shall likewise direct the GenCo to correct the identified deficiencies, require the submission of a CAP or Contingency Plan, as may be applicable, classify the offense, and impose the corresponding administrative sanction under Section 15 of this Circular, without prejudice to the imposition of such other measures as may be authorized by law, DC No. DC2026-02-0006, this Circular, and other relevant rules and regulations.

Section 14. *Effect of Failure to Submit or Rectify Deficient Explanation.* – The failure of the GenCo to submit its written explanation, together with all supporting documents within the period prescribed, or the failure to rectify an incomplete, inaccurate, inconsistent, or otherwise deficient submission within the period allowed by the DOE, shall constitute a waiver of the GenCo's right to be heard and present evidence.

In such cases, the DOE shall resolve the matter based on available records and shall issue the appropriate Order imposing the corresponding administrative sanction pursuant to Section 15 of this Circular, without prejudice to the imposition of such other measures or sanctions as may be authorized under applicable laws, rules, and regulations.

Consistent with Section 4 of this Circular, the imposition of administrative sanctions shall not extinguish the GenCo's continuing obligation to submit the required explanation and supporting documents. Continued non-compliance shall constitute a Second or Third Offense, as applicable, and shall result in the imposition of more severe penalties, without prejudice to the imposition of such other measures or sanctions as may be authorized under applicable laws, rules, and regulations.

RULE V ADMINISTRATIVE PENALTIES

Section 15. *Administrative Sanctions* – Unless a more severe sanction is warranted under applicable laws, rules, regulations, or issuances, the following administrative sanctions shall be imposed:

15.1 For every instance of (a) failure to comply with reportorial obligations; (b) failure to submit the required written explanation and supporting documents; or (c) submission of reports or documents containing material deficiencies, inconsistencies, or misrepresentations:

15.1.1 **First Offense** – Issuance of a STERN WARNING or placement of the GenCo under "Strict Compliance Monitoring" by the DOE.

- 15.1.2 **Second Offense** – Referral to the ERC for appropriate action, suspension of the applicable DOE-issued Certificate of Endorsement (COE), or suspension from participation in DOE-administered programs until compliance with the Order, as the case may be.
 - 15.1.3 **Third and Subsequent Offense/s** – Where applicable, revocation of the applicable DOE-issued COE, disqualification or blacklisting from participation in DOE-administered or DOE-authorized programs, or endorsement of the matter to the ERC for the suspension or revocation of its Certificate of Compliance (COC) or other ERC-issued authorizations, where appropriate.
- 15.2 The continued failure to submit the required reports or documents within the period prescribed shall be considered a continuing violation and shall be counted in determining the applicable progressive sanction.
- 15.3 For every instance of (a) failure to comply with regulatory and technical obligations or generation performance standards, (b) existence of any of the grounds for Incidental/Special Assessment as provided under Section 11 of DC No. DC2026-02-0006, or (c) failure to comply with the directives of the DOE pursuant to its mandate to ensure reliability and security of power supply:
- 15.3.1 **First Offense** – Referral to the ERC for appropriate action, or submission and implementation of a CAP or Contingency Plan.
 - 15.3.2 **Second Offense** – Referral to the ERC for appropriate action, suspension of the applicable DOE-issued COE, or suspension from participation in DOE-administered programs for a period of one (1) year or until compliance with the Order of the DOE, whichever is longer.
 - 15.3.3 **Third and Subsequent Offense/s** – Where applicable, revocation of the applicable DOE-issued COE, blacklisting from participation in DOE-administered or DOE-authorized programs, or endorsement of the matter to the ERC for the suspension or revocation of its COC or other ERC-issued authorizations, where appropriate.

Section 16. CAP or Contingency Plan. – Where the DOE determines, based on the GenCo's explanation and submissions, that corrective or preventive measures are necessary to address a violation or prevent its occurrence/recurrence, the DOE, through a written Order, shall direct the GenCo to submit a CAP or Contingency Plan, as may be applicable, within a prescribed period, with a copy furnished to the ERC.

The CAP or Contingency Plan shall identify: (a) the deficiencies to be addressed; (b) corrective or contingency measures to be undertaken; (c) organizational unit and specific personnel responsible; (d) implementation timeline and milestones, including the target completion date; and (e) such other information and/or supporting documents, as may be required under the Order.

The CAP or Contingency Plan shall be subject to the approval and subsequent monitoring and verification by the DOE. To this end, the GenCo shall submit Progress

Reports on the implementation of its approved CAP or Contingency Plan within thirty (30) calendar days from approval thereof, and every fifteen (15) calendar days thereafter, until full compliance.

Failure to submit the CAP or Contingency Plan within the prescribed period, or failure to implement the approved plan, or failure to comply with the implementation schedule without justifiable cause shall constitute grounds for the application of the progressive administrative sanctions under Sections 15 and 17 of this Circular, without prejudice to the DOE's continuing assessment of other sanctions that may be warranted under applicable laws, rules, regulations, and issuances.

Section 17. *Progressive sanctions.* – For purposes of imposing progressive sanctions, any finding of non-compliance shall remain on record for a period of **three (3) years** from the date of issuance of the Order declaring such offense. In the absence of any subsequent findings of non-compliance within the said period, the progressive sanction record shall be reset.

Section 18. *Non-Exclusivity of Remedies.* – The remedies, sanctions, and procedures provided in this Circular are non-exclusive and shall be without prejudice to any other remedy, sanction, investigation, assessment, endorsement, or legal action available to the DOE, ERC, or any other government agency under applicable laws, rules, regulations, Department issuances, contracts, permits, licenses, certifications, or authorizations.

The issuance or renewal of a COE to the ERC, as well as other endorsements required from the DOE, shall be subject to the GenCo's compliance with its outstanding obligations. The DOE shall not issue or renew any endorsement to a GenCo with an outstanding financial or work obligation, including those of its parent or subsidiary entities, unless the same has been settled or otherwise resolved.

RULE VI MISCELLANEOUS PROVISIONS

Section 19. *Recognition of Vested Rights and Non-absolution of Pre-Existing Offenses.* – Nothing in this Circular shall be construed to affect any vested rights that have appropriately accrued to any person under valid mechanisms prior to the commencement of this Circular.

This Circular shall likewise not absolve, condone, or exempt any non-compliance or violations committed by GenCos under applicable laws, rules, regulations, and agreement prior to the issuance of this Circular. Pre-existing offenses shall remain punishable under the laws, rules, and regulations in force at the time of their commission.

Section 20. *Regulatory Support from the ERC.* – Consistent with EPIRA, DC No. DC2026-02-0006 and other applicable laws, rules, and regulations, the ERC shall continue to exercise its regulatory support functions over the Generation sector, among others.

To operationalize the enforcement and referral mechanisms herein, the ERC shall, within sixty (60) calendar days from the effectivity of this Circular, promulgate the necessary guidelines or amendments to its existing policies to implement this Circular and DC No. DC2026-02-0006. Such issuance shall establish the process for the appropriate sanctions and regulatory actions against erring GenCos as referred to it by the DOE, including the imposition of fines, penalties, suspension, or revocation of ERC-issued authorizations.

Section 21. *Departmental and Inter-Agency Support.* – All bureaus, services, and offices of the DOE shall extend full support in ensuring effective implementation of this Circular.

The DOE may likewise call the support and assistance of the National Electrification Administration (NEA), National Power Corporation (NPC), National Transmission Corporation (TransCo), Independent Electricity Market Operator of the Philippines, Inc. (IEMOP), Philippine Electricity Market Corporation (PEMC), Power Sector Assets and Liabilities Management Corporation (PSALM), and the ERC, as applicable, to address multi-sectoral concerns.

Section 22. *Transitory Provision* – All SCOs, Warning Letters, Letter Directives, Orders, notices, and all other enforcement actions, in any form, issued prior to the effectivity of this Circular shall remain valid. Pending proceedings may be continued in accordance with this Circular, provided that no vested right is impaired and that due process is observed.

Non-compliance, violations, or deficiencies committed prior to the effectivity of this Circular shall not be absolved or condoned, and may be acted upon under the laws, rules, regulations, and issuances in force at the time of their commission, without prejudice to the application of this Circular to continuing or subsequent acts of non-compliance.

Pending the adoption and issuance of official DOE templates, GenCos shall submit the required PMS information in substantially the same form and manner as currently submitted to the NGCP. The absence of the official templates shall not delay or affect the implementation of this Circular. All reports and submissions required to be filed with the ERC shall likewise be submitted to the DOE through DEPDMS within the applicable prescribed period.

Section 23. *Separability Clause.* – 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 24. *Repealing Clause.* – All Department issuances, rules, regulations, circulars, advisories, orders, memoranda, and other issuances inconsistent with this Circular are hereby repealed, amended, or modified accordingly.

Section 25. *Effectivity.* – This Circular shall take effect immediately after its publication in the Official Gazette or in two (2) newspapers of general circulation. A copy of this Circular shall be furnished to the University of the Philippines Law Center - Office of the National Administrative Register (UPLC-ONAR).

Issued this ____ day of _____ 2026 at the DOE, Energy Center, Rizal Drive
corner 34th Street, Bonifacio Global City, Taguig City.


SHARON S. GARIN
Secretary



25 SEP 2026