



06 June 2018

**MEMORANDUM NO. 2018-035**

**TO :** ALL ELECTRIC COOPERATIVES

**SUBJECT :** **Scope and Effectivity of the DOE Department Circular No. DC2018-02-0003 or the Competitive Selection Process (CSP) Policy**

Please be advised of the scope and effectivity of DOE Department Circular No. DC2018-02-0003 as per DOE's letter to NEA dated 18 May 2018 to wit:

1. The said Department Circular provides that:

***"This Circular shall take effect immediately after its publication in two (2) newspapers of general circulation and shall remain in effect until otherwise revokes."***

Hence, the CSP Policy is deemed effective on 10 February 2018 and, as such, all Power Supply Agreements (PSAs) must be procured through a CSP, except under the circumstances enumerated under Section 2.2 of the said Circular. Accordingly, all electric cooperatives (ECs) must conduct their CSP in the manner prescribed under Section 5 thereof, that is through public bidding which shall be spearheaded and managed by an Independent Third Party Bids and Awards Committee (TPBAC).

On the other hand, PSAs that have been pre-filed with the Energy Regulatory Commission (ERC) prior to the effectivity of the DOE Department Circular No. DC2018-02-0003 shall be exempt from the coverage thereof.

2. With the CSP Advisory issued by the DOE on 21 March 2018, the prohibition against Swiss Challenge as a form of CSP has been clarified in Item 4 thereof which provides that:

***"In accordance with the "buyers" market principle under RA 9136, the CSP Circular does not allow unsolicited proposal from suppliers. All PSAs shall be procured through CSP and shall be based on planning and scheduling of power supply requirements, as specified in the PSPP"***

Moreover, for any clarifications or inquiries please confirm with DOE.

Please be guided accordingly.

  
**EDGARDO R. MASONGSONG**  
Administrator

