MEMORANDUM CIRCULAR No. 2005-029

FOR: Economic Zone Administrators / Managers PEZA-Registered Locator Enterprises

FROM: Director General LILIA B. DE LIMA

SUBJECT: Recent Energy Regulatory Commission Resolutions prescribing penalties to power generation companies/ entities operating without the required Certificate of Compliance (COC) and granting an amnesty until 31 December 2005 for entities owning self-generation facilities with less than one megawatt capacity, which have not yet filed their COC applications.

DATE: 02 September 2004

On 07 March 2005, PEZA issued Memorandum Order No. 2005-014 informing all Economic Zone Locator Enterprises that the ERC has set 31 March 2005 as the deadline for the submission of applications for Certificates of Compliance (COCs) by companies which own self-generation facilities (SGFs), whether as primary or back-up source of power. Subsequently, on 15 June 2005, PEZA issued Memorandum Circular No. 2005-029 informing all Economic Zone Locator Enterprises that the ERC has extended the 31 March 2005 deadline for submission of COC applications to 30 June 2005.

The Energy Regulatory Commission (ERC) recently issued two Resolutions pertaining to the operation of power generation facilities as follows:

- ERC Resolution No. 13 providing that power generation companies/ facilities, operating without valid Certificates of Compliance, shall be required to pay a penalty of P 50,000.00 for those with generators below one Megawatt in capacity and P 100,000.00 plus P 100.00 per day of non-compliance for those with generators with one Megawatt capacity or greater; and

- ERC Resolution No. 14 granting an amnesty until 31 December 2005 to entities owning self-generation facilities (SGFs), existing or newly-constructed facilities with capacity below one (1) Megawatt, which have not yet filed their COC applications.

Copies of ERC Resolutions Nos. 13 & 14 (Series of 2005) may be downloaded from www.erc.gov.ph/2-generation.htm

For the information and guidance of all concerned.

"Trabaho at kabahayan sa bawat tao" President Gloria Macapagal-Arroyo