



Republic of the Philippines

# DEPARTMENT OF ENERGY

## ADVISORY

### **CY 2023 Obligations of Designated Establishments<sup>1</sup> in the Commercial, Industrial, and Transport Sectors**

Pursuant to Section 22 of Department Circular No. DC2023-12-0036<sup>2</sup>, Section 21 of Department No. DC2023-12-0037<sup>3</sup>, and Section 25 of Department Circular No. DC2023-12-0038<sup>4</sup>, this advisory for Designated Establishments (DEs) is hereby issued for the effective implementation of Republic Act No. 11285 or the “Energy Efficiency and Conservation Act” (EEC Act), its Implementing Rules and Regulations (IRR), and related issuances.

#### **1. Submission Deadline**

- Existing covered DE (those with annual energy consumption of at least 100,000.00 kWh equivalent) shall submit their 2023 Annual Energy Efficiency and Conservation Report (AEECR) and Annual Energy Utilization Report (AEUR) through the DE Online Submission Portal as per MC2020-05-0001 on or before 15 April 2024.
- Newly covered DEs (those with annual energy consumption of less than 100,000.00 kWh equivalent) have until 15 April 2025 to prepare and comply with the DE requirements under the EEC Act, the EEC-IRR, and related issuances. Newly covered DEs are also encouraged to begin submitting reports this year for familiarity. **Requests for extension will not be entertained.**

#### **2. Mandatory Online Submission**

- All AEECR, AEUR, and Energy Audit Report submissions must be made through the DE Online Submission Portal at <https://de.doe.gov.ph>. Reports submitted outside this platform will not be considered compliant with the EEC Act.

#### **3. New DE Threshold**

- All DEs shall observe the new consumption threshold under DOE Department Circulars DC2023-12-0036, DC2023-12-0037, and DC2023-12-0038 (Annex A). These issuances may be accessed here <https://www.doe.gov.ph/?q=laws-and-issuances/department-circular>.

#### **4. Energy Audits**

- **In-House Energy Audit**
  - Type 1 DEs may conduct in-house energy audits through their own Certified Energy Auditor (CEA), which will be accepted by the DOE, subject to evaluation.

<sup>1</sup> Designated Establishment refers to a private or public entity in the commercial, industrial, transport, power, agriculture, public works, and other sectors identified by the DOE as energy-intensive industries based on their annual energy consumption in the previous year or an equivalent annual index; the amount of consumption is indicated in the EEC Act, the same is subject to adjustment by the DOE as it may deem necessary.

<sup>2</sup> Department Circular No. DC2023-12-0036 – Reclassifying Designated Establishments in the Commercial Sector, adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act

<sup>3</sup> Department Circular No. DC2023-12-0037 – Reclassifying Designated Establishments in the Industrial Sector, adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act

<sup>4</sup> Department Circular No. DC2023-12-0036 – Reclassifying Designated Establishments in the Transport Sector, adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act

- Type 2 and Type 3 DEs may conduct in-house energy audits by their own CEA provided by a validation will be conducted by a DOE Registered or Certified Energy Service Companies (ESCO), CEA, or Firm, Partnership, Corporation, or Sole Proprietorship (FPCS).
- Energy Audit Reports that are validated by an ESCO, CEA, or FPCS shall have a validation certificate which shall include, but not limited to the date of validation, auditor's name, signature, and certification number, and recommendation that the energy audit report can be submitted to the DOE.

- **Deadline of Submission**

- Newly covered DEs have until 15 April 2025 deadline to submit energy audit reports. Existing covered DEs must adhere to energy audit report requirements per DC2023-12-0036, DC2023-12-0037, and DC2023-12-0038.
- DEs who are already in the contracting phase of their engagements with an ESCO, CEA, or FPCS are allowed to continue their engagements, provided that their energy audit reports shall be submitted before 31 December 2024. *(e.g., (a) Type 2 DEs that already contracted the services for a Level 1 Energy Audit or (b) DEs who are complying for the first time with the requirements of the EEC Act and already contracted an ESCO, CEA, or FPCS).*
- All DEs, who are already in the contracting phase, shall send a formal letter to the DOE following the format indicated in Annex B on or before 15 April 2024. Failure to inform will result to the application of the higher energy audit obligation *(e.g. Level 2 Energy Audit instead of Level 1 Energy Audit).*

## 5. Energy Efficiency (EE) Practitioner

- DEs are required to identify and certify their EE Practitioners. DEs with existing CECO that will fall under Type 1, Type 2, and Type 3 based on the new typologies should be endorsed, using the format in Annex B, by their DEs to apply for the reclassification of their certificates. Application for recertification shall be submitted through this link: [https://bit.ly/Apply\\_CEM](https://bit.ly/Apply_CEM)
- All DEs must identify, designate, and certify their EE Practitioners promptly.

## 6. Determination of Compliance

- Pending to the issuance of the Department Circular on the visitorial to DEs, the DOE will conduct inspections through the EEC Monitoring Team observing the procedures outlined in Annex C. The EEC Monitoring Team will not request for any payment for the inspection.

All clarifications or requests for assistance in relation to the foregoing may be coursed through [doe.epmpd@gmail.com](mailto:doe.epmpd@gmail.com). We look forward to the immediate compliance of all concerned in our collective pursuit of energy efficiency and conservation in the country.

Thank you.

  
**DIRECTOR PATRICK T. AQUINO, CESO III**  
 Energy Utilization Management Bureau



## **ANNEX A**

DEs shall observe the new typology based on the following consumption threshold:

### **Commercial<sup>1</sup> and Transport<sup>2</sup> Sectors**

<b>Typology</b>	<b>Consumption Threshold</b>
Other DEs	Annual energy consumption of 50,000 kWh equivalent and below
Type 1 DEs	Annual energy consumption of 50,001 kWh equivalent to 500,000 kWh equivalent
Type 2 DEs	Annual energy consumption of 500,001 kWh equivalent to 4,000,000 kWh equivalent
Type 3 DEs	Annual energy consumption of 4,000,001 kWh equivalent and above

### **Industrial<sup>3</sup> Sectors**

<b>Typology</b>	<b>Consumption Threshold</b>
Other DEs	Annual energy consumption of 50,000 kWh equivalent and below
Type 1 DEs	Annual energy consumption of 50,001 kWh equivalent to 1,000,000 kWh equivalent
Type 2 DEs	Annual energy consumption of 1,000,001 kWh equivalent to 8,000,000 kWh equivalent
Type 3 DEs	Annual energy consumption of 8,000,001 kWh equivalent and above

A DE shall be allowed to complete the calendar year (CY) (January 1 – December 31) to establish energy consumption.

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<sup>1</sup> Section 8 of DC2023-12-0036

<sup>2</sup> Section 7 of DC2023-12-0038

<sup>3</sup> Section 7 of DC2023-12-0037



**ANNEX B**  
**Letter Template for Energy Audit Report Submission**

Company Header

<date>

**Director**  
**Energy Utilization Management Bureau (EUMB)**  
*Department of Energy (DOE)*  
*Energy Center, Rizal Drive,*  
*Bonifacio Global City, Taguig City*

Subject: **Submission of Energy Audit Report**

Dear Director:

*Good day!*

*The body of the letter should include information on the Designated Establishment(s) where the energy audit will be conducted. The DEs should also include in the letter the target completion date of the energy audit and who will conduct the energy audit.*

*The details of the energy auditor, whether it is an ESCO, CEA, or FPCS, should be provided in the letter, including but not limited to:*

*Name of Auditor:*  
*Level of Energy Audit that will be conducted:*  
*Certification Number:*

*The letter should include a copy of the contract, purchase order, or any similar documents that will serve as proof of engagement with the auditor.*

*Thank you.*

*Best regards,*

*[Head of Company or anyone who has  
the authority to represent the company]*

**All letters pertaining to Energy Audit Report submission shall be sent to [doe.epmpd@gmail.com](mailto:doe.epmpd@gmail.com). Only those received by the said email will be acknowledged by the DOE.**

## **Endorsement Letter Template for EE Practitioner Reclassification**

Company Header

<date>

**Director**  
**Energy Utilization Management Bureau (EUMB)**  
*Department of Energy (DOE)*  
*Energy Center, Rizal Drive,*  
*Bonifacio Global City, Taguig City*

Subject: **EE Practitioner Reclassification**

Dear Director:

*Good day!*

*The body of the letter should include information on the Designated Establishment(s) where the EE Practitioner is currently engaged/employed. The letter should explicitly indicate that the DE wishes to have their EE Practitioner reclassified from a Certified Energy Conservation Officer (CECO) to a Certified Energy Manager (CEM).*

*The details of the EE Practitioner should be provided in the letter, including but not limited to:*

*Name of the EE Practitioner:*  
*Certification Number:*

*Since reclassification is free of charge, the DOE will only require DEs and the EE Practitioner to upload a signed copy of the endorsement letter and a copy of their certificate issued by the DOE. The application for recertification should be submitted through this link: [https://bit.ly/Apply\\_CEM](https://bit.ly/Apply_CEM).*

*Thank you.*

*Best regards,*

*[Head of Company or anyone who has  
the authority to represent the company]*

**Kindly note that only requests made through the identified online platform will be processed by the DOE. Any requests made through email, phone, or any other platform will not be entertained by the DOE.**



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**DEPARTMENT OF ENERGY**

**ANNEX C**  
**ON-SITE INSPECTION PROCESS**

The DOE shall observe the following procedures in the conduct of inspections:

1. Notification to the DE
  - i. DEs will be notified through a formal letter (Notice of On-Site Inspection<sup>1</sup>) that an inspection will be conducted by the DOE. The Notice of On-Site Inspection will be sent through email using [doe.epmpd@gmail.com](mailto:doe.epmpd@gmail.com) five (5) working days prior to the date of On-Site Inspection.
  - ii. The Notice of On-Site Inspection shall be signed by the DOE – EUMB Director indicating the following items:
    - a. Date and time of the On-site Inspection;
    - b. Names of the representatives from the EEC Monitoring Team;
    - c. List of documents that the DE will be required to present to the EEC Monitoring Team; and
    - d. Duration of the On-Site Inspection.
2. Conduct of On-Site Inspection
  - i. At least two (2) members of the EEC Monitoring Team<sup>2</sup> will be present during the On-Site Inspection. Members of the EEC Monitoring Team are expected to have the following items with them during the On-Site Inspection:
    - a. Authority to Inspect<sup>3</sup> (ATI) duly signed by the EUMB Director;
    - b. Copy of the notification letter;
    - c. DOE ID; and
    - d. DOE field uniform.
  - ii. In the event of the DE refusal, the EEC Monitoring Team will duly note the details/reasons in the On-Site Inspection Report.
  - iii. DEs are required to prepare and present the following documents encoded in the DE Online Submission Portal to the EEC Monitoring Team during On-Site Inspection:
    - a. Electricity and Fuel Billing Statement or any related documents that can substantiate their electricity and fuel consumption;
    - b. Energy Management System Manual/Policy/ Framework or any other similar document/s that are being implemented by the DE;
    - c. Energy Audit Report; and
    - d. Documents related to the reported energy efficiency projects, measures, and initiatives of the DE.

<sup>1</sup> Notice of On-Site Inspection refers to a document informing the DE prior to the conduct of the actual On-Site Inspection including the date thereof and name/s of the EEC Monitoring Team signed by the EUMB Director.

<sup>2</sup> EEC Monitoring Team refers to personnel from the DOE tasked to conduct On-Site Inspection as specified in this DC. Members of the team shall be recommended to and approved by the EUMB Director through a memorandum from the EEC Monitoring Team Lead.

<sup>3</sup> Authority to Inspect (ATI) refers to the written authority, issued by the Energy Utilization Management Bureau (EUMB) Director to the EEC Monitoring Team authorizing them to carry out On-Site Inspection of identified DEs at a specified date and time.

- iv. Should the DE fail to present the required document/s during the On-Site Inspection, the EEC Monitoring Team will include the absence of the document/s in the On-Site Inspection Report.
- v. The EEC Monitoring Team shall conduct the On-Site Inspection within office hours and in the presence of the DE's authorized representatives. On-Site Inspections should be concluded in two (2) hours based on the indicated table:

<b>Activity</b>	<b>Allotted Time</b>
1. Opening/introductions	5 minutes
2. Presentation of DE Obligations and Requirements under the EEC Act	10 minutes
3. Validation of AEECR and AEUR	30 minutes
4. Validation of Energy Audit Report	20 minutes
5. Assessment of Energy Management System Implementation (or other similar framework)	15 minutes
6. Validation of SEUs in the facility/building	30 minutes
7. Closing	10 minutes
<b>Total</b>	<b>120 minutes</b>

- vi. Should the On-Site Inspection exceed the allotted time, the EEC Monitoring Team shall include the reason in the On-Site Inspection Report.

### 3. Results

- i. An On-Site Inspection Report will be prepared by the EEC Monitoring Team upon return to the DOE Central Office. The EEC Monitoring Team shall also prepare a report for the DE which shall include details on the DE's compliance or a recommendation for the issuance of a Show Cause Order to address any non-compliance and/or specifying the alleged commission of the prohibited act/s under this DC. Recommendations for the improved compliance to the DE's obligations may also be included in the Show Cause Order.
- ii. The DEs shall receive the report of the On-Site Inspection twenty (20) working days from the arrival of the team to the DOE Central Office.

### 4. Conclusion or Administrative Proceedings

- i. The EEC Monitoring Team shall evaluate the DE's answer to the Show Cause Order within twenty (20) days from receipt. A written confirmation will be sent to the DE when its answers sufficiently address the Show Cause Order or the EEC Monitoring Team may recommend to the EUMB Director the initiation of administrative proceedings.
- ii. The EUMB Director shall transmit to the DOE-LS the ATI, and On-Site Inspection Report, and all supporting documents of a DE for non-compliance to the Show Cause Order within seven (7) days from the expiration of the period indicated in the Show Cause Order.
- iii. The administrative proceedings shall observe prevailing rules of procedure for administrative cases before the DOE for violations of the EEC Act.