



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2022-06-0018 ✓

**ADOPTING THE GUIDELINES AND PROCEDURES IN THE FUND SOURCING,
ACCOUNTING, AND AUDIT OF RENEWABLE ENERGY TRUST FUND
PURSUANT TO SECTION 28 OF THE RENEWABLE ENERGY ACT OF 2008**

WHEREAS, Republic Act (RA) No. 9513, otherwise known as the "Renewable Energy Act of 2008," declares as a policy of the State to, among others, increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy (RE) systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, Section 28 of RA No. 9513 mandated the establishment of a RE Trust Fund (RETF) to enhance the development and greater utilization of RE;

WHEREAS, Section 32, Rule 11 of Department Circular (DC) No. DC2009-05-0008, also known as the "Rules and Regulations Implementing Republic Act No. 9513," provided the guidelines on the administration of the RETF. It states that the RETF shall be exclusively used to:

- (a) Finance the research, development, demonstration, and promotion of the widespread and productive use of RE systems for Power and Non-Power Applications;
- (b) Provide funding to qualified research and development institutions engaged in RE studies undertaken jointly through public-private sector partnership, including provision for scholarship and fellowship for energy studies;
- (c) Support the development and operation of new RE Resources to improve their competitiveness in the market: Provided, That the grant thereof shall be done through a competitive and transparent manner;
- (d) Conduct nationwide resource and market assessment studies for the Power and Non-Power Applications of RE Systems;
- (e) Propagate RE knowledge by accelerating, tapping, training, and providing benefits to institutions, entities, and organizations which can help widen the promotion and reach of RE benefits at the national and local levels; and
- (f) Fund such other activities necessary or incidental to the attainment of the objectives of the Act;

WHEREAS, Sections 33 and 34, Rule 11 of DC No. DC2009-05-0008 also provided the RETF general guidelines on fund utilization and sources of fund;

WHEREAS, on 23 October 2018, the DOE issued Department Order (DO) No. DO2018-10-0018 entitled, "Adopting the Guidelines for the Operationalization of the Renewable Energy Trust Fund, and for other Purposes," which governed the collection, administration, and utilization of the RETF;

WHEREAS, on 11 January 2019, the DOE issued Special Order (SO) No. SO2019-01-0003 entitled, "Creating the Department of Energy Committee for the Administration of the Renewable Energy Trust Fund," which created the RETF Committee (RETFC), designated its respective members, and laid down their functions;

WHEREAS, pursuant to DO No. DO2018-10-0018, the RETFC shall:

- (a) Develop and implement a competitive and transparent method of selecting projects to be funded by the RETF;
- (b) Recommend for the approval by the Secretary of his/her authorized representative, the projects eligible to be funded by the RETF;
- (c) Formulating the necessary mechanism for the transfer of funds to the RETF;
- (d) Open with an existing Government Financial Institution a special trust account which shall be exclusively used for the RETF;
- (e) Conduct regular meetings to monitor the implementation of the DO No. DO2018-10-0018; and
- (f) Perform such other tasks as may be necessary to accomplish the foregoing functions.

WHEREAS, to fully implement the RETF program, there is a need to set specific guidelines and procedures for the fund sourcing, accounting, and audit of the RETF;

NOW THEREFORE, after careful review by the members of the RETFC, and in consideration of the above premises, the DOE hereby adopts, issues, and promulgates this Circular.

Section 1. Title. This Circular shall be known as ***"Adopting the Guidelines and Procedures in the Fund Sourcing, Accounting, and Audit of the Renewable Energy Trust Fund"*** or the ***"RETF Guidelines."***

Section 2. Definition of Terms. This Circular hereby adopts, by reference, the terms defined in RA No. 9513, its Implementing Rules and Regulations, and other relevant laws and issuances. Furthermore, the following terms, as used in this Circular, shall be defined as follows:

- (a) **Accounting Division (AD)** – refers to the division under Financial Services of the DOE, which formulates policies, plans and programs related to the DOE's general accounting services and ensures effective implementation thereof and compliance with government rules and regulations;
- (b) **Audit** – an objective examination and evaluation of the financial records and reports of the fund made by competent authorities vested with the mandate to make sure that the financial records and reports are a fair and accurate representation of the transactions of the fund;
- (c) **Billing** – refers to the process of raising and sending statement of accounts to RETF Contributors and requesting them to settle their dues in compliance with Section 34, Rule 11 of DC No. DC 2009-05-008;

- (d) **Bureau of Internal Revenue (BIR)** – refers to the government agency created pursuant to Reorganization Act No. 1189;
- (e) **Bureau of the Treasury (BTr)** – refers to the government agency, created pursuant to Act No. 1679, that acts as the principal custodian of the financial assets of the National Government;
- (f) **BP 100-B Form** – refers to Budget Preparation Form for the estimated revenues and expenditures of the Off-Budgetary Accounts and Custodial Funds;
- (g) **Collection** – refers to the act or process of presenting a statement of account for payment by RETF Contributors and compelling them to remit such funds into the RETF;
- (h) **Conventional Energy Resource Compliance Division (CERCD)** – refers to the division under Financial Services of the DOE, which formulates policies, plans and programs related to the compliance of Conventional Energy service contractors with their financial obligations as provided for in their Conventional Energy service contracts and ensures effective implementation thereof in accordance with government rules and regulations, and evaluates the financial capabilities of prospective Conventional Energy service contractors;
- (i) **Department of Budget and Management (DBM)** – refers to the government agency created under Executive Order No. 25, as amended;
- (j) **Department of Energy (DOE)** – refers to the government agency created pursuant to RA No. 7638, and is the implementing agency of RA No. 9513 and all the rules and regulations related thereto. Pursuant to Section 28 of RA No. 9513, it is the administrator of the RETF;
- (k) **Department of Environment and Natural Resources (DENR)** – refers to the government agency created pursuant to Executive Order (EO) No. 192, and is the implementing agency of RA No. 8749, and all the rules and regulations related thereto;
- (l) **Disbursement** – refers to a wide range of payment types made in a specific period from the RETF;
- (m) **Emission Fees** – refers to the collection of the DENR from the industrial and motor vehicle discharges based on the Section 13 of RA No. 8749, Emission Charge System;
- (n) **Estimated Revenues** – refers to the estimated collection from various RETF sources;
- (o) **Financial Services (FS)** – refers to the service under the DOE, which formulates and implements fiscal policies, programs and regulations, including those on indigenous energy resource service contractors; monitors the utilization of government-administered energy funds; and provides staff support services pertaining to budget and accounting;

- (p) **Government Share** – refers to the amount due the National Government and Local Government Units from the exploitation, development, and utilization of conventional and RE resources;
- (q) **Net Annual Dividends** – refers to the annual cash dividends declared by the PNOC;
- (r) **Net Income** – refers to the profit after tax and net assistance/subsidy/financial assistance/contribution to NGAs/LGUs/NGOs/POs and others;
- (s) **Philippine Amusement and Gaming Corporation (PAGCOR)** – refers to the government-owned and controlled corporation created pursuant to Presidential Decree (PD) Nos. 1067-A, 1067-B, 1067-C, as amended by PD Nos. 1399, 1632, 1869, and RA No. 9487;
- (t) **Philippine Charity Sweepstakes Office (PCSO)** – refers to the government-owned and -controlled corporation created pursuant to the RA No. 1169;
- (u) **Philippine National Oil Company (PNOC)** – refers to the government-owned and -controlled corporation created pursuant to PD No. 334, as amended;
- (v) **Power Compliance Division (PCD)** – refers to the division under the FS of the DOE, which formulates policies, plans and programs related to the compliance of energy resource developers and/or power producer on the granting of benefit to the concerned local government units and ensures effective implementation thereof in accordance with government rules and regulations, monitors the DOE-administered energy funds as well as the utilization thereof;
- (w) **Remittance** – refers to act or process of any payment made, sent and transferred to the RETF;
- (x) **Renewable Energy Management Bureau (REMB)** – refers to bureau under the DOE, which is created for the implementation of RA No. 9513 to implement policies, plans and programs related to the accelerated development, transformation, utilization, and commercialization of RE resources including emerging energy technologies;
- (y) **Renewable Energy Trust Fund (RETF)** – refers to the special account administered by the DOE, established to enhance the development and greater utilization of RE;
- (z) **RETF Account** – refers to the Cash in Bank-Local Currency, Current Account opened in the Land Bank of the Philippines (LBP) and maintained as Trust Fund by the DOE;
- (aa) **RETF Contributors or Sources of Fund Agencies/Entities** – identified as the RETF sources pursuant to Section 28 of RA No. 9513 and Section 34, Rule 11 of DC No. DC 2009-05-0008;
- (bb) **Treasury Division (TD)** – refers to the division under the Administrative Services

of the DOE, which formulates policies, plans and programs related to the DOE's cashing services and fund management and ensures effective implementation thereof and compliance with government accounting and auditing rules and regulations; and

- (cc) **Technical Services Management Division (TSMD)** – refers to the division under the REMB tasked to perform as the Secretariat to the RETF Committee pursuant to SO No. SO2019-01-0003.

Section 3. RETF Guidelines. All concerned government agencies shall be guided on the process of sourcing; billing, collection, and remittance; accounting, and audit of the RETF provided herein.

3.1. Estimates. The REMB, in coordination with the RETF Contributors, shall submit to the AD the estimated revenues and expenditures of the RETF account on or before February 15 of the following fiscal year.

- 3.1.1. All concerned government agencies and DOE units shall be guided by the process flow on the estimates on revenue and expenditure for the RETF provided below:

Responsible Office/Division	Sequence	Procedures								
REMB-TSMD	1	Submit a request letter to the following RETF Contributors on January 20 of the following fiscal year:								
<table border="1"> <thead> <tr> <th data-bbox="663 1234 932 1263">RETF Contributor</th> <th data-bbox="932 1234 1449 1263">Data to be requested</th> </tr> </thead> <tbody> <tr> <td data-bbox="663 1263 932 1406">DENR</td> <td data-bbox="932 1263 1449 1406">Actual Collection of Emission Fees of the reporting year and the estimated collection of Emission Fees for the next four (4) succeeding years</td> </tr> <tr> <td data-bbox="663 1406 932 1525">PCSO, PAGCOR</td> <td data-bbox="932 1406 1449 1525">Actual Net Income of the reporting year and estimated Net Income for the next four (4) succeeding years</td> </tr> <tr> <td data-bbox="663 1525 932 1675">PNOC</td> <td data-bbox="932 1525 1449 1675">Actual Net Annual Dividend of the reporting year and estimated Net Annual Dividend for the next four (4) succeeding years</td> </tr> </tbody> </table>			RETF Contributor	Data to be requested	DENR	Actual Collection of Emission Fees of the reporting year and the estimated collection of Emission Fees for the next four (4) succeeding years	PCSO, PAGCOR	Actual Net Income of the reporting year and estimated Net Income for the next four (4) succeeding years	PNOC	Actual Net Annual Dividend of the reporting year and estimated Net Annual Dividend for the next four (4) succeeding years
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PNOC	Actual Net Annual Dividend of the reporting year and estimated Net Annual Dividend for the next four (4) succeeding years									
RETF Contributor	2	Provide data requested by the REMB on or before February 10.								
FS-CERCD	3	Provide the REMB on or before February 10 the estimated collections for government share for the next succeeding four (4) years.								
REMB -TSMD	4	Consolidate all the data gathered and add the estimated collections aside from the collections from RETF Contributors and the one and one half (1.5%) portion of the RETF from the Government Share. Submit to the AD the Estimated Revenues and Expenditures (fund transfers) on or before February 15.								

Verify further the data provided by the REMB. Encode the estimated revenues and expenditures in the BP 100-B Form.

3.2. Billing, Collection and Remittance. The procedures of billing, collection, and remittance of the RETF shall apply to the three (3) RETF sources, namely: Collection from RETF Contributors; One and one-half percent (1.5%) of the Government Share collected from conventional energy service contractors; and Collection of the DOE on the contributions, grants, and donations in the form of cash, any revenue generated from the utilization of the RETF and proceeds from fines and penalties imposed under RA No. 9513.

3.2.1. All concerned government agencies and DOE units shall be guided by the process flows provided below:

(a) Collection from RETF Contributors;

Responsible Office/Division	Sequence	Procedures
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REMB-TSMD

1

Send a request letter at least 15 days before the prescribed deadline of submission, to the DENR, PCSO, PAGCOR, and PNOC for the following documents:

RETF Contributor	Documents	Deadline of submission
DENR	Copy of the Notice of Cash Allocation (NCA), in cases where the DOE did not receive the document from the DBM	15 days after receipt of notification from the AD/TD for the unidentified receipt in the RETF Account
PCSO	Statement of Comprehensive Income signed by the Head of the Accounting and Head of the GOCC	15 days after the publication of the Commission of Audit Annual Audit Report (COA AAR)
PAGCOR	Statement of Comprehensive Income signed by the Head of the Accounting and Head of the GOCC	15 days after the publication of the Commission of Audit Annual Audit Report (COA AAR)
PNOC	Statement of Changes in Equity signed by the Head of the Accounting and Head of the GOCC	15 days after the publication of the Commission of Audit Annual Audit Report (COA AAR)

REMB - TSMD

2

Upon receipt of the requested documents, prepare the billing statement. The computation of the share of the RETF Contributors based on the following:

RETF Contributor	Basis
DENR- EMB	Total amount of collection per the submitted report
PCSO	1.5% of the Net Income per Statement of Comprehensive Income
PAGCOR	1.5% of the Net Income per Statement of Comprehensive Income
PNOC	1.5% of the Dividends per the Retained Earnings/Deficit Column of the Statement of Changes in Equity

REMB - TSMD

3

Transmit the billing statement to the RETF contributor. Coordinate with the RETF Contributor the mode of payment they may choose:

1. Direct Deposit to the RETF Account with the below account details:
 - Account Number: 3982-1002-31
 - Account Name: DOE-Renewable Energy Trust Fund (RETF)
2. Over the Counter Payment thru Check to the DOE Treasury Division (TD)

RETF Contributor

4

Pay the amount due within 15 days after the receipt of the billing statement. Coordinate with the REMB for the payment method.

REMB -TSMD

5

Coordinate with the PCD for the issuance of the Order of Payment. Assist the RETF Contributor to the PCD.

FS- PCD

6

Issue Order of Payment and direct the RETF Contributor to the TD for the submission of the proof of payment or remittance of the check issued for payment.

AS-TD

7

Upon receipt of the order of payment and proof of payment, issue the Official Receipt (OR).

AS- TD

8

Submit the Report of Collections and Deposits, pink copy of OR and validated deposit slips to the AD.

FS- AD

9

Record the collection in the DOE Books of Accounts.

(b) One and one-half percent (1.5%) of the Government Share collected from conventional energy service contractors;

Responsible Office/Division	Sequence	Procedures
AS-TD	1	<p>Deposit government share collections from conventional energy service contractors to the BTr thru the following clearing accounts:</p> <ul style="list-style-type: none"> • 1.5% - BTr – Other than Interagency Transferred Funds (IATF)
FS-AD	2	<p>Records the deposits in the DOE Books of Accounts. Prepare a request for certification of deposits to the BTr every quarter.</p>
FS-CERCD	3	<p>Submit to the AD a schedule of Government Share collections from all Conventional Energy service contractors for the year. The basis of the allocation of Government Share is net of the 1.5% RETF share. The said report must be submitted to the AD on or before March 15 of the following year.</p>
FS-AD	4	<p>Upon receipt of all the required documents prepare a request letter for release of the NCA to DBM. After the approval of the Secretary, transmit all documents to the DBM.</p>
AS-TD	5	<p>Monitor the balance of the RETF account and notify the AD if the NCA was already credited.</p>
FS-AD	6	<p>Record the receipt of the NCA in the DOE Books of Accounts.</p>

(c) Collection of the DOE on the contributions, grants, and donations in the form of cash, any revenue generated from the utilization of the RETF and proceeds from fines and penalties imposed under RA No. 9513.

Responsible Office/Division	Sequence	Procedures
REMB -TSMD	1	<p>Issue Order of Payment for the collections derived from contributions, grants, and donations in form of cash, miscellaneous income, fines and penalties. Assist the contributors/payor/liable entity for the remittance of the payment to the TD.</p>
AS-TD	2	<p>Upon receipt of the order of payment and proof of payment, issue the OR. Deposit all collections in the RETF account on the next banking day, following the date of collection.</p>
AS-TD	3	<p>Submit the Report of Collections and Deposits, pink copies of OR and validated deposit slips to the AD.</p>

Section 4. Operations Manual. Within three (3) months from the effectivity of this Circular, the DOE shall issue the RETF Operations Manual, consistent with the objectives of the RETF under Section 28 of RA No. 9513. The manual shall include Qualifications of Eligible Organizations, Types of Financial Support, Institutional Structures and Mechanisms, and Application and Approval Process, among others.

Section 5. Accounting/Audit. All transactions pertaining to the RETF Account shall be recorded in the DOE Books of Accounts under Fund Cluster 07 as Custodial Funds following the government accounting procedures and auditing standards.

Section 6. Government Support. This Circular shall primarily be supported by the following government agencies, as mandated under Section 34 of DC No. DC2009-05-0008:

- (a) DBM;
- (b) BIR;
- (c) DENR;
- (d) PCSO;
- (e) PAGCOR; and
- (f) PNOC.

Section 7. Repealing Clause. Any prior issuances, orders, or Circulars inconsistent with this Department Circular are hereby repealed, amended, or modified accordingly.

Section 8. Separability Clause. If any provision of this Circular is declared invalid or unconstitutional, the other provisions that are not affected shall remain valid and subsisting.

Section 9. Effectivity. This Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation. Copies of this DC shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.




ALFONSO G. CUSI
Secretary

Issued on JUN 10 2022 at the Department of Energy,
Fort Bonifacio, Taguig City, Metro Manila.