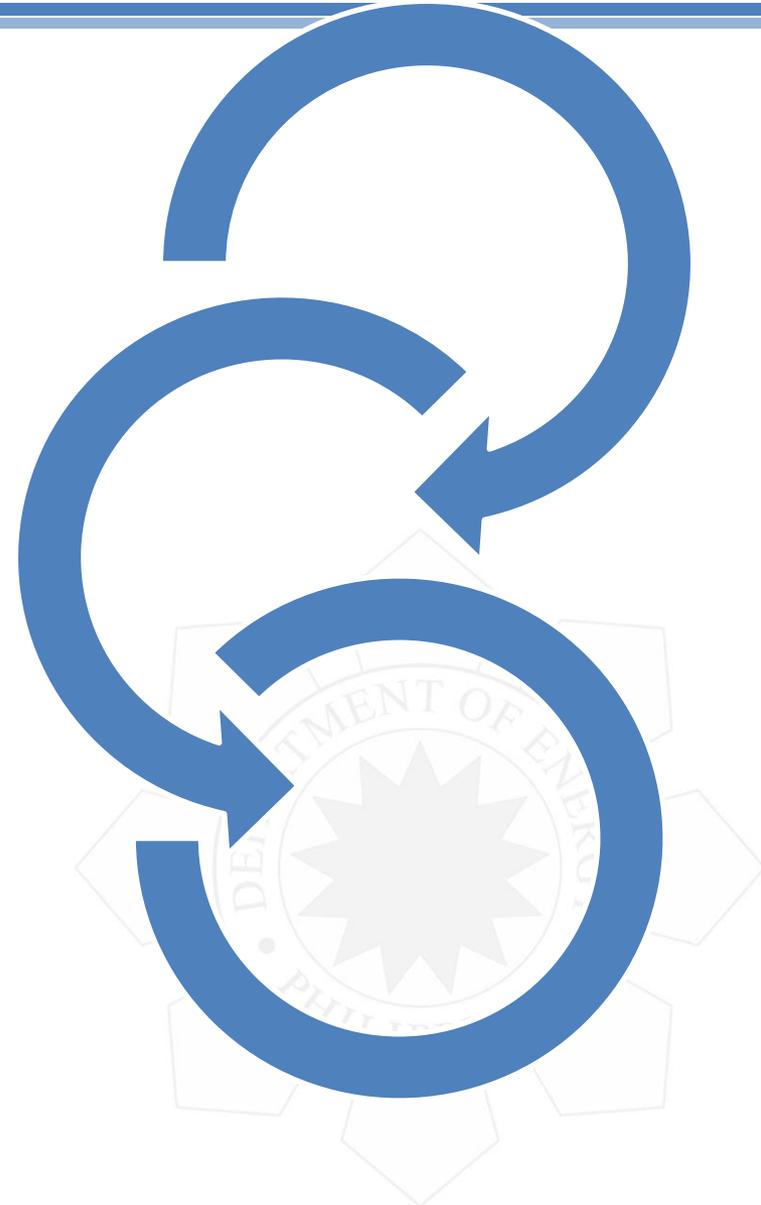

Administrative Procedures in Awarding of Renewable Energy Service/Operating Contracts (RESC)



Outline of Presentation

Regulatory Framework

Process Flow

- Open and Competitive Selection
- Direct Negotiation
- Conversion from Pre-Development Stage to Development/Commercial Stage of an RE Contract
- Conversion of Existing Service Contract/Agreement on RE Resources to RE Contract under R.A. No. 9513

Role of Concerned Institutions



Regulatory Framework

Department Circular No. 2009-07-0011

Guidelines Governing a
Transparent and
Competitive System of
Awarding Renewable
Energy Service / Operating
Contracts and Providing for
the Registration Process of
Renewable Energy
Developers

Department Circular No. 2009-07-0010

Guidelines for Accreditation
and Manufacturers,
Fabricators and Suppliers of
Locally-Produced Renewable
Energy Equipment and
Components



Renewable Energy Service Contract (RESC)

(Refers to service agreement between the Government, through the President or the DOE, and an RE Developer over an appropriate period as determined by the DOE)

Who may Apply

- Any person, natural or juridical, local or foreign subject to certain limits.
- For Accreditation of Manufacturers, Fabricators and Suppliers of Locally-Produced Renewable Energy Equipment and Components. Any person, natural or juridical, registered and/or authorized to operate in the Philippines under existing laws and engaged in the manufacture, fabrication and supply of locally-produced RE equipment and components may apply for accreditation with the REMB.



Nature of RE Service Contracts

Pre-Development Stage

- Preliminary assessment, feasibility studies, up to financial closing of RE project

Development Stage

- Development, production and utilization of RE resources
- Include construction and installation of relevant facilities

Nature of RE Service Contracts

Other types of contracts / accreditations

Operating Contracts

- Limited to power plants / generating facilities
 - *Biomass generating facilities, non-integrated geothermal plants, RE facilities under BOT agreements*

RE Accreditation / Registration

- Power generation projects for own-use
- Biofuels production, covered by Joint Administrative Order (JAO) No. 2008-1, Series of 2008, under RA 9367

**Manufacturers,
Fabricators and
Suppliers of locally-
produced RE
equipment,
materials and
components
(DC 2009-07-0010)**



Modes of Awarding RESCs

Open and Competitive Selection Process (OCSP)

- Public bidding, similar to Philippine Energy Contracting Round (PECR) for coal, oil and gas resources

Direct Negotiation

- **Frontier Areas**
 - *Without sufficient available technical data*
- **Failed OCSP**
 - *No proposal or No qualified bidder*

Conversion of RE Contracts

- **From Existing Service Contracts based on previous laws**, such as PD 1442, RA 7156, EO 462/232 to RA 9513
- Accreditation under RA 9367 to RA 9513 ⁷



Review and Evaluation Committee

Chairperson

- Assistant Secretary In-Charge of REMB

Vice Chairperson

- Director of REMB or his designated representative

Members (Technical Working Group)

- One (1) Representative from concerned REMB Division, RE-Compliance Division of the Financial Services, RE-Legal Division of the Legal Services

Secretariat

- REMB-Technical Services Management Division



Preliminary Requirements

Letter of Intent

The RE Developer must signify its interest to apply for an RE Service Contract in a particular place or its identified area in accordance with Direct Negotiation mode of awarding of RESC

Map / Coordinates of the Proposed RE Project Site

Map of the applied area duly prepared, signed, and sealed by a licensed Geodetic Engineer must show/contain the following:

- Name of municipality & province
- Vicinity map of the project site - NAMRIA topographic map with minimum scale of 1:50,000 can also be used as basemap (except Biomass)
- Certification of Geodetic Engineer for technical correctness of the plotted area

For Solar, Wind, Ocean and Geothermal Energy

- In accordance with PRS'92 geographic coordinates

For Ocean Energy

- NAMRIA bathymetric base map is required

For Hydropower Energy

- A map showing the dam height and crest elevation and the extent of the area inundated based on the proposed dam height



Other Requirements

Duly Accomplished RE Contract Application Form

The form must be properly filled-up and signed by the authorized representative of the applicant

Map of the Proposed RE Project Site

Map of the proposed RE project site must be issued and verified by the DOE-ITMS

Application Fee

PhP 11,600.00 (Solar, Wind & Geothermal)
PhP 1,000.00 (*Hydropower and Ocean*)

Processing Fee

PhP 12,650.00 (*Biomass*)
PhP 23,850.00 (*Ocean*)
PhP 23,850.00 (*Hydropower*)
PhP 6.50 / has. (*Solar, Wind, Geothermal*)



Other Requirements

Information of Signatories

- Official company name and address
- Name and Designation of Signatory
- Photocopy of Passport ID of Signatory
- Passport No. / Place of Issuance / Date of Issuance / Date of Expiration
- Name and Designation of Witness

Acknowledgement of Concurrence

Acknowledgement signed by the applicant / authorized representative(s) that they fully understood the information that was discussed to them by the RE-REC Secretariat representative during the orientation in relation to the RESC application process and requirements.

Five (5) Copies of RESC Application Documents

- Four (4) hard copies properly labelled:
 - DOE-RECORDS
 - RE-LEGAL
 - RE-TECHNICAL
 - RE-FINANCIAL
- One (1) electronic copy for the RE-REC SECRETARIAT in CD or USB



Legal Requirements

Individual or Single Proprietorship

Birth Certificate

Original copy of Birth certificate issued by Philippine Statistics Authority (PSA)

Current Business Permit

Issued by the City or Municipality where the principal office is located, photocopy of the original and duly certified by the issuing authority as a certified true copy of the original

Department of Trade and Industry (DTI) Registration

Photocopy of the original and duly certified by the issuing authority as a certified true copy of the original

Certification Authorizing its Representative to Negotiate and Enter into RE Contract

Special Power of Attorney designating the official representative



Legal Requirements

Corporation / Joint Venture / Consortium / Cooperative

By-Laws and Articles of Incorporation

Photocopy of the original and duly certified by the issuing authority as a certified true copy of the original

Latest General Information Sheet

For companies registered for more than one (1) year, photocopy of the originals which shall be certified by the SEC with original stamp and certification by the SEC.

Current Business Permit

Issued by the City or Municipality where the principal office is located, photocopy of the original and duly certified by the issuing authority as a certified true copy of the original or the equivalent document for Exclusive Economic Zones or Areas.

Organizational Chart of the Company

Photocopy of the original and duly certified by the issuing authority as a certified true copy of the original

Certification authorizing its representative to negotiate and enter into RE Contract with the DOE
(Original)

The Organizational Chart shall include the complete name and designation of all the company personnel holding each positions



Financial Requirements

1. Audited or Unaudited Financial Statements (FS)

- Audited Financial Statements within 6 months from the time of filing date
- Unaudited Financial Statements within 3 months from the time of filing date

2. Original Bank Certification -Original bank certification to substantiate the cash balance of the latest Unaudited FS

3. Projected cash flow statement *for (2) years; Original*

4. For Newly Organized Corporation with Insufficient Funds- Parent Company's Financial Documents per Items 1 and 2; Duly Notarized Letter of Undertaking / Support from the Parent Company to Fund the Work Program

In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate having the appropriate jurisdiction over the said parent company



Technical Requirements

Narrative Form and Gantt Chart of Work Program with financial commitment per activity

The RE Developer shall fill up the timeline and financial commitment under the template Work Program which shall be in accordance to DO2013-10-0018

Full description of Work Program



CONVERSION OF EXISTING SERVICE CONTRACT/AGREEMENT ON RE RESOURCES TO RE CONTRACT UNDER RA No. 9513

- Letter of Intent from the developer requesting for the conversion of the existing Contract/Agreement to RE Contract
- Accomplishment report vis-a-vis work and financial program
- Updated Work Program
- Such other documents that may be required by the DOE.



Conversion from Pre-Development Stage to Development/Commercial Stage

- Letter of Application For RESC or Conversion from Pre-development Stage to Development Stage
- For Explored Projects prior to RA 9513, same Requirements under Pre-development Stage
- Declaration of Commerciality based on Identified Market
- Detailed Feasibility Study and Engineering Design
- Permits, Clearances, Certificates, Agreements
 - *Environmental Compliance Certificate or Certificate of Non-Coverage*
 - *Free and Prior Informed Consent, Pre-condition and/or Non-overlap*
 - *Special Land Use Permit / Forest Lease Agreement, Proof of Ownership / Lease Agreement*
 - *Water Rights Permit (Hydropower)*
 - *Rights of Way*
 - *LGU Endorsements*
 - *Other applicable regulatory requirements*



Conversion from Pre-Development Stage to Development/Commercial Stage

- Five (5)-year Work and Financial Plan, clearly indicating the start of completion of construction, completion of project facilities, power plant commissioning and start of commercial operation
- System (Grid) Impact Study
- Connection Agreement with National Grid Corporation of the Philippines
- Proof of Market for Generated Electricity
 - Bilateral Agreement with Distribution Utility/ies and / or End-use Consumer
 - For Feed-In Tariff System Eligible Projects:
 - *Renewable Energy Payment Agreement*
 - *Proof and/or Declaration that the project is not bound under any bilateral agreement, particularly for existing RE projects, which started commercial operation after effectivity of RA 9513*



Conversion from Pre-Development Stage to Development/Commercial Stage

- **Proof of Technical Capability**
 - *List and CV of company technical personnel*
 - *EPC contract*
 - *Consultancy agreement/s*
 - *Proof of ownership of equipment, materials, supplies / Lease contract / negotiation for procurement*
 - *Operating and maintenance agreement (if any)*
- **Proof of Financial Capability**
 - *Latest / updated unaudited/audited Financial Statements*
 - *Projected Cash Flow Statement*
 - *Letter of Undertakings*
 - *Financial Closure / appropriate Bank Certifications*



ACCREDITATION PROCESS OF RE MANUFACTURERS, FABRICATORS AND SUPPLIERS (R.A. No. 9513)

- Letter of application to REMB;
- Company Profile or Business Background;
- Copy of Articles of Incorporation from SEC or a Certificate of Registration from DTI for single proprietorship;
- Nature and scope of RE activities;
- Appropriate Business Permit in the name of the company or proprietor;
- Proof of technical, financial and physical or logistical capabilities to handle RE equipment, machinery, components and parts appropriate and commensurate to the scope of activity applied for accreditation;
- Track record, if applicable; and
- Such other documents as may be required by the REMB.



Role of Respective Institutions

DOE

- lead agency to implement RE projects

NWRB

- water rights (Phil. Water Code 1976)

DENR

- environmental protection (RA 7586 & PD 1586 EIS)

ERC

- approval of tariff (RA 9136)

BOI

- fiscal incentives (EO 226 & RA 9513)

NCIP

- facilitation of FPIC (RA 8371)

BIR

- tax collection and tax incentives (NIRC, RA 9337)

LGU

- Local regulations and approvals (RA 7160)

TRANSCO

- Provide interconnections (Rule 9, IRR; Sec. 11, RA 9513)



THANK YOU ! ! !