

OMNIBUS GUIDELINES GOVERNING THE AWARD AND ADMINISTRATION OF RENEWABLE ENERGY CONTRACTS AND THE REGISTRATION OF RENEWABLE ENERGY DEVELOPERS

DOE DEPARTMENT CIRCULAR NO. DC2019-10-0013

Energy Investment Forum
Hilton Manila Hotel, Pasay City
03 December 2019



COVERAGE

1. The pre-application, application, and award of RE Contracts;
2. The conversion of existing service contracts to RE Contracts for the exploration, development or utilization of RE resources with the DOE, subject to Section 39, Rule 13, of the IRR of the RE Act;
3. The issuance by the DOE of Certificates of Registration (COR) for RE Developers of projects with or without RE Contracts; and
4. The administration of RE Contracts.



LEGAL BASES

1. Republic Act (RA) No. 7638, as amended, otherwise known as the *“Department of Energy Act of 1992”*
2. RA No. 9136, otherwise known as the *“Electric Power Industry Reform Act of 2001”* or *“EPIRA”*
3. RA No. 9367, otherwise known as the *“Biofuels Act of 2006”*
4. RA No. 9513, otherwise known as the *“Renewable Energy Act of 2008”* or *“RE Act”*
5. RA No. 11032, otherwise known as the *“Ease of Doing Business and Efficient Government Service Delivery Act of 2018”*
6. RA No.11234, otherwise known as the *“Energy Virtual One-Stop Shop Act”* or *“EVOSS”*



EFFECTIVITY



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC2019-10-0013

OMNIBUS GUIDELINES GOVERNING THE AWARD AND ADMINISTRATION OF RENEWABLE ENERGY CONTRACTS AND THE REGISTRATION OF RENEWABLE ENERGY DEVELOPERS

WHEREAS, pursuant to Section 2, Article XII, of the 1987 Philippine Constitution, all forces of potential energy and other natural resources within the Philippine territory belong to the State and their exploration, development and utilization shall be under the full control of the State;

WHEREAS, under Section 2 of Republic Act (RA) No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992", the Department

- 3.5. "Commercial Quantities" shall mean quantities of energy to be produced from the RE Resources using commercially available technology to develop the RE Systems which have a reasonable chance of being sufficient and technically compliant to support the Commercial Operations of the project.
- 3.6. "Contract Area" shall refer to the total area, which is the subject of the RE Contract as detailed and outlined in the map with its technical description, and where the RE Developer has the exclusive right to explore, develop and utilize the RE Resources.
- 3.7. "Declaration of Commerciality" or "DOC" shall refer to a written declaration made by the RE Developer to the DOE, stating that the RE Resource is of Commercial Quantities.
- 3.8. "Direct Application" shall refer to the mode of RE Application whereby the RE Applicant identifies a Contract Area it wishes to explore or develop. The identified Contract Area must first

CHAPTER II

RE SERVICE AND OPERATING CONTRACTS

Section 4. RE Contract – Modes of Award and Qualifications.

- 4.1. Modes of Awarding RE Contract. – RE Contracts shall be awarded through (a) an Open and Competitive Selection Process or (b) Direct Application.
 - 4.1.1. The Open and Competitive Selection Process (OCSP) shall be adopted for the selection and award of RE Service Contracts for Pre-Determined Areas (PDAs) covering any type of resource for commercial purposes. This shall be governed by Chapter IV below.
 - 4.1.2. Direct Application shall be available for the selection and award of:

22 November 2019



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WHEREAS, pursuant to Section 2, Article XII, of the 1987 Philippine Constitution, all forces of potential energy and other natural resources within the Philippine territory belong to the State and their exploration, development and utilization shall be under the full control of the State;

WHEREAS, under Section 2 of Republic Act (RA) No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992", the Department of Energy (DOE) is mandated to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

WHEREAS, Section 5(b) of the same Act empowers the DOE to develop and update the existing Philippine energy program which shall provide for an integrated and comprehensive exploration, development, utilization, distribution and conservation of energy resources, with preferential bias for environment-friendly, indigenous, and low-cost sources of energy, and which program shall include a policy direction towards the privatization of government agencies related to energy, deregulation of the power and energy industry and reduction of dependency on oil-fired plants;

WHEREAS, Section 2 of RA No. 9138, otherwise known as the "Electric Power Industry Reform Act of 2001" or "EPIRA", declares that it is the policy of the State to, among others, (i) ensure and accelerate the total electrification of the country; (ii) ensure the efficient use of private capital and broaden the ownership base of the power

commissioning, and confirming its readiness to inject power into the grid to sell or supply its produced energy, as duly confirmed by the DOE and other relevant regulatory bodies.

- 3.5. "Commercial Quantities" shall mean quantities of energy to be produced from the RE Resources using commercially available technology to develop the RE Systems which have a reasonable chance of being sufficient and technically compliant to support the Commercial Operations of the project.
- 3.6. "Contract Area" shall refer to the total area, which is the subject of the RE Contract as detailed and outlined in the map with its technical description, and where the RE Developer has the exclusive right to explore, develop and utilize the RE Resources.
- 3.7. "Declaration of Commerciality" or "DOC" shall refer to a written declaration made by the RE Developer to the DOE, stating that the RE Resource is of Commercial Quantities.
- 3.8. "Direct Application" shall refer to the mode of RE Application whereby the RE Applicant identifies a Contract Area it wishes to explore or develop. The identified Contract Area must first be certified by the DOE to be free and open for exploration or development.
- 3.9. "Energy Application Management System" or "EAMS" shall refer to an intranet-based system utilizing radio frequency identification (RFID) technology to uniquely identify an application and monitor its real-time location.
- 3.10. "Financial Closing" shall refer to such milestone in the Pre-Development or Development Stage of the RE Project when the RE Developer has secured a

Contract" or "WESC" shall refer to the RE Contract for the selection and award of RE Service Contracts for Pre-Determined Areas (PDAs) covering any type of resource for commercial purposes. This shall be governed by Chapter IV below.

to the plans and programs and other related activities necessary for the performance of the work obligations under the RE Contract by the RE Developer, along with the corresponding budgetary estimate, submitted to the DOE for approval.

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 - 4.1.1. The Open and Competitive Selection Process (OCSP) shall be adopted for the selection and award of RE Service Contracts for Pre-Determined Areas (PDAs) covering any type of resource for commercial purposes. This shall be governed by Chapter IV below.
 - 4.1.2. Direct Application shall be available for the selection and award of:
 - (a) RE Operating Contracts;
 - (b) RE Service Contracts covering PDAs, following a failed OCSP pursuant to Section 13.7 and the procedures in Chapter V below, and
 - (c) RE Service Contract in an area identified by a RE Applicant and verified with or confirmed by the DOE-Information Technology and Management Services (ITMS) as available for exploration, development and/or utilization of the proposed RE Resource.



TYPES OF RE CONTRACT

1. Biomass Energy Operating Contract (BEOC)
2. Geothermal Service Contract (GSC)
3. Solar Energy Operating Contract (SEOC)
4. Hydropower Service Contract (HSC)
5. Ocean Energy Service Contract (OESC)
6. Wind Energy Service Contract (WESC)



SALIENT FEATURES OF RE CONTRACTS

TYPE	STAGES	WORK PROGRAM/TERM	SITE/AREA
BEOC	COMMERCIAL/ DEVELOPMENT	5-YEARS FOR 25 YEARS + 25 YEARS	POLYGONAL POSSESSORY RIGHT
GSC	PRE-DEVELOPMENT DEVELOPMENT	7-YEARS AND 5 YEARS THEREAFTER FOR 25 YEARS + 25 YEARS	POLYGONAL AND/OR BLOCKING
SEOC	COMMERCIAL/ DEVELOPMENT	5-YEARS FOR 25 YEARS + 25 YEARS	POLYGONAL POSSESSORY RIGHT
HSC	PRE-DEVELOPMENT DEVELOPMENT	5-YEARS FOR 25 YEARS + 25 YEARS	
OESC	PRE-DEVELOPMENT DEVELOPMENT	7-YEARS AND 5 YEARS THEREAFTER FOR 25 YEARS + 25 YEARS	POLYGONAL AND/OR BLOCKING
WESC	PRE-DEVELOPMENT DEVELOPMENT	5-YEARS FOR 25 YEARS + 25 YEARS	POLYGONAL AND/OR BLOCKING



NEW/REVISED PROVISIONS OF RE CONTRACT

1. Posting of bond – failure to post shall void RE Contract *ab initio*. Performance bond required until Pre-Construction Stage.
2. Transition from Pre-Development to Development Stage – filing shall suspend running of Pre-Development period
3. Amendment of Work Program – no revision for the first two Contract Years and only once a year thereafter
4. Data and Reports – annual progress report
5. Notices – include electronic mails
6. Assignments – no assignment to non-affiliate for the first two Contract Years, thereafter, may be assigned at one time.



ELIGIBILITY

Filipino citizen or, if a corporation, must be a Filipino corporation duly registered with the Securities and Exchange Commission (SEC), with at least sixty percent (60%) of its capitalization duly owned and controlled by Filipinos, unless the application is for biomass development and/or uses waste-to-energy technology, in which case, the 60% Filipino capitalization requirement shall not apply.

For the large-scale exploration, development and utilization of geothermal resources, defined under Section 4(s) of the RE Act as a mineral resource, the Government through the President may enter into agreements with foreign-owned corporations involving technical or financial assistance.



MODES OF REGISTRATION

1. RE Projects for Commercial Purposes – covered by RE Contracts.

- A. Open and Competitive Selection Process
- B. Direct Application

2. RE Projects for Own-Use and/or RE Projects for Non-Commercial Purposes – not covered by RE Contracts.



PROCEDURE UNDER OPEN AND COMPETITIVE SELECTION PROCESS (OCSP)

- Selection of Pre-Determined Areas – within six months from effectivity of the Circular and every year thereafter.
- Launch and Publication - least once (1) a week for two (2) consecutive weeks in at least two (2) newspapers.
- Data Packages and Promotional Activities
- RE Contract Application – 60th day from first date of publication.
- Opening and Evaluation of RE Applications.
- Evaluation, Selection and Award.

Process Duration – 99 days



PROCEDURE UNDER DIRECT APPLICATION

Part 1. Pre-Application Process

- Submission of Letter of Intent – indicating project location and with Affidavit Undertaking (Solar and Biomass only)
- Area Verification
 - Open for development of multiple resources
- Orientation of Interested Participants

Process duration – Not more than 12 working days



PROCEDURE FOR RENEWABLE ENERGY CONTRACTS UNDER DIRECT APPLICATIONS

RESPONSIBLE PERSONNEL/ OFFICE / UNIT	PROCEDURES	NORMAL PROCESSING TIME (WORKING DAYS)	CONTACT NUMBERS	LOCATION OF OFFICE	
Part 1. Pre-Application Process					
	<div style="border: 1px solid red; border-radius: 15px; padding: 5px; display: inline-block;">Submission of Letter of Intent (LOI) with mapping requirements (AnnexJ)</div>				
Records Management Division	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Attach RFID tag and encode under EAMS</div>		TL: 4792900 loc. 407	GF, DOE Annex Building	
REMB Assistant Director	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Endorsement to concerned REMB Divisions</div>		TL: 4792900 loc. 412	2F, PNOC Bldg. 5	
REMB Division thru Assistant Director	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Issuance of acknowledgment letter with schedule of orientation on requirements and processes</div>	2 working days			
	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Endorsement of LOI and attachments</div>	3 working days			
Information Technology and Management Services (ITMS)	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Verification of the area</div>	5 working days	TL: 4792900 loc. 254	GF, Data Bank Building	
Legal Services	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Verification of the area for Solar and Biomass only</div>		TL: 4792900 loc. 403	3F, Multi-purpose Bldg.	
REMB Division	<div style="border: 1px solid red; padding: 5px; display: inline-block;">Notify Applicant of the verification result</div>	2 working days			
<p>LEGEND</p> <div style="display: flex; align-items: center; gap: 10px;"> <div style="border: 1px solid red; border-radius: 50%; width: 15px; height: 10px; display: inline-block;"></div> Applicant <div style="border: 1px solid red; width: 15px; height: 10px; display: inline-block;"></div> DOE </div>		<p>REQUIREMENTS</p> Please refer to the attached list of requirements		<p>CHARGES & FEES</p> Please refer to Schedule of fees and charges CY 2013	
		<p>LEGAL BASES</p> <ul style="list-style-type: none"> DC2019-10-0013 Administrative Order No. 31 dated October 1, 2012 		12 DAYS	

PROCEDURE UNDER DIRECT APPLICATION

Part 2. Filing and Evaluation of RE Applications

- Receipt of RE Applications - 
- Evaluation of RE Applications
- Approval and Signing of the RE Contract

Process Duration – not more than 31 working days



PROCEDURE FOR RENEWABLE ENERGY CONTRACTS UNDER DIRECT APPLICATIONS

RESPONSIBLE PERSONNEL/ OFFICE / UNIT	PROCEDURES	NORMAL PROCESSING TIME (WORKING DAYS)	CONTACT NUMBERS	LOCATION OF OFFICE
REMB / LS / FS	<p>Part 2. Filing and Evaluation of RE Application (continuation)</p> <pre> graph TD LE[Legal Evaluation] --> Collate[Collation of the evaluation results] TE[Technical Evaluation] --> Collate FE[Financial Evaluation] --> Collate Collate --> Pass{Pass?} Pass -- No --> A((A)) Pass -- Yes --> Memo[Preparation of memo endorsing application, draft contract & COR] Memo --> Endorse[Endorsement of evaluation documents to ASec and Usec] Endorse --> C((C)) </pre>	5 working days		
Concerned REMB Division thru Asst. Director		3 working days		
Concerned REMB Division thru Assistant Director				

<p>LEGEND</p> <p> Applicant</p> <p> DOE</p>	<p>REQUIREMENTS</p> <p>Please refer to the attached list of requirements</p>	<p>CHARGES & FEES</p> <p>Please refer to Schedule of fees and charges CY 2013</p>	<p>LEGAL BASES</p> <ul style="list-style-type: none"> • DC2019-10-0013 • Administrative Order No. 31 dated October 1, 2012 	<p style="font-size: 24pt; font-weight: bold;">14 DAYS</p>
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PROCEDURE FOR RENEWABLE ENERGY CONTRACTS UNDER DIRECT APPLICATIONS

RESPONSIBLE PERSONNEL/ OFFICE / UNIT	PROCEDURES	NORMAL PROCESSING TIME (WORKING DAYS)	CONTACT NUMBERS	LOCATION OF OFFICE
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Part 2. Filing and Evaluation of RE Application (continuation)

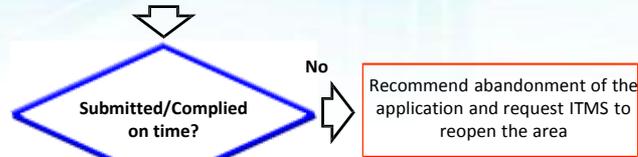
Concerned REMB Division thru
Assistant Director



Notify Applicant and require to submit
within 10 working days

3 working days

Assistant
Secretary



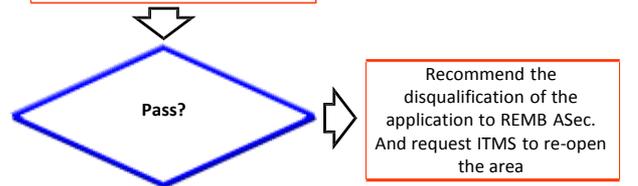
Recommend abandonment of the
application and request ITMS to
reopen the area

REMB / LS / FS

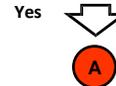
Re-evaluation of the DOE
concerned unit

Notify RE applicant of the
abandonment

2 working days



Recommend the
disqualification of the
application to REMB ASec.
And request ITMS to re-open
the area



Notify RE applicant of the
disqualification

LEGEND

- Applicant
- DOE

REQUIREMENTS

Please refer to the attached list of requirements

CHARGES & FEES

Please refer to
Schedule of fees and
charges CY 2013

LEGAL BASES

- DC2019-10-0013
- Administrative Order No. 31 dated October 1, 2012

14
DAYS

AWARD OF RE CONTRACTS

RESPONSIBLE PERSONNEL/ OFFICE / UNIT	PROCEDURES	NORMAL PROCESSING TIME (WORKING DAYS)*	CONTACT NUMBERS	LOCATION OF OFFICE
			TL: 4792900 loc. 207	2F, PNOB Bldg. 5
REMB Director	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Recommendation to award contract to the REMB Supervising ASec</div> 		TL: 4792900 loc. 324	4F, PNOB Bldg. 5
Assistant Secretary	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Reviews recommendation and endorses to REMB Supervising Usec</div> 	2	TL: 4792900 loc. 206	4F, PNOB Bldg. 5
Undersecretary	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Concurrence to the REMB's recommendation</div> 	2		
REMB Director	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Require RE Applicant to pre-sign original copies of RE contract</div> 	1		
	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Prepare memorandum to the Secretary endorsing the award of RE contract</div> 	1	TL: 4792900 loc. 403	3F, Multi-purpose Bldg.
Legal Services	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Review and concurrence of the pre-signed RE contract and its accompanying documents</div> 	3		
REMB Director	<div style="border: 1px solid red; padding: 5px; width: fit-content; margin: 0 auto;">Endorsement to the REMB Supervising ASec the pre-signed RE contract and its accompanying documents</div> 			
				

<p><u>LEGEND</u></p> <p> Applicant</p> <p> DOE</p>	<p><u>REQUIREMENTS</u></p>	<p><u>CHARGES & FEES</u></p>	<p><u>LEGAL BASES</u></p> <p>• DC2019-10-0013</p>	<h2 style="margin: 0;">17 Working Days</h2>
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AWARD OF RE CONTRACTS

RESPONSIBLE PERSONNEL/ OFFICE / UNIT	PROCEDURES	NORMAL PROCESSING TIME (WORKING DAYS)*	CONTACT NUMBERS	LOCATION OF OFFICE
Assistant Secretary	 ↓ <div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">Review and endorse the pre-signed RE contract and its accompanying documents to REMB Supervising Usec</div> ↓	} 3		
Undersecretary	<div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">Review and endorse the pre-signed RE contract and its accompanying documents to the Secretary</div> ↓			
Secretary	<div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">Act on the pre-signed RE contract and its attachments, endorsement of the REMB and concurrence of LS</div> ↓	7		
REMB Director	<div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">Notify RE applicant through written notice to pay signing fee and post performance bond</div> ↓	1		
	<div style="border: 1px solid red; border-radius: 15px; padding: 5px; margin: 5px auto; width: 80%;">Submission of proof of payment (within 15 calendar days) and posting of performance bond (within 30 calendar days)</div> ↓			
	<div style="border: 2px solid blue; width: 100px; height: 40px; margin: 5px auto; transform: rotate(45deg); position: relative;"> <div style="position: absolute; top: -10px; left: 50%; transform: translate(-50%, -50%);">Paid?</div> </div> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="text-align: center;"> No ↓ </div> <div style="text-align: center;"> Yes ↓ </div> </div>	<div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">RE application deemed abandoned</div>		
Chief, BEMD/GEMD/ HOEMD/SWEMD/TSMD	<div style="border: 1px solid red; padding: 5px; margin: 5px auto; width: 80%;">Release of RE application</div>		TL: 4792900 loc. 390/339/310/245	2F, PNOC Bldg. 5
LEGEND Applicant DOE	REQUIREMENTS	CHARGES & FEES	LEGAL BASES • DC2019-10-0013	17 Working Days

CONVERSION FROM OLD TO NEW RE CONTRACT TEMPLATE

Requirements:

1. Developers must be in good standing for the past six (6) months prior to the date of filing its application for conversion.
2. Work Program for five (5) years of the remaining term of the old contract/agreement.
3. Contract Area following mapping requirements

Covering RE projects which are under pre-commissioning/commercial operation phase.



REGISTRATION OF RE PROJECTS FOR OWN-USE AND/OR NON-COMMERCIAL OPERATIONS

Requirements:

- Technical Requirements
 - Project Description
 - Proof of ownership of the area
- Legal Requirements

Process Duration – not more than 20 working days



ADMINISTRATION OF RE CONTRACT

Registration with EVOSS for regular updating of RE Projects.

- Amendment of RE Contract
 - Changes to the Contract Area – for expansion only if contiguous and open for development
 - Changes in installed capacity
 - Type of Feedstock
 - Change of Company Name
- Assignment of RE Contract
- Termination/Relinquishment of RE Contract
 - 5 working days on valid ground
 - 3 days on relinquishment

Request for reconsideration – within 10 days from receipt of letter of termination.



TRANSITORY AND FINAL PROVISIONS

- **Evaluation of Pending Applications** – option to choose which RE Contract template to adopt.
- **Re-filing of the Application for RE Contract and Certificate of Registration** - RE applications under evaluation may be re-filed within 30 working days from effectivity of the Circular.
- **Extension of Timelines** – process duration in the administration of RE Contracts may be extended but not to exceed 60 calendar days.
- **RE Resources Under New Emerging Technologies** - procedures governing a particular RE Resource that is most analogous to the emerging technology shall be adopted.



Omnibus Flow Charts

- [Amendment of RE Contracts](#)
- [Assignment of RE Contracts](#)
- [Transition from Pre-Development to Development Stage](#)
- [Conversion to the New RE Contract Template](#)



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Thank You!



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