



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT ORDER NO. DO2016-06-0010

**PRESCRIBING THE REVISED GUIDELINES FOR THE
PROCESSING OF APPLICATIONS, AMENDMENTS AND TERMINATION OF
RENEWABLE ENERGY SERVICE/OPERATING CONTRACTS**

WHEREAS, Republic Act No. (RA) 7638, as amended or the "Department of Energy Act of 1992" mandates the Department of Energy (DOE) 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, RA 9513 or the "Renewable Energy Act of 2008 (RE Act)" provides the policy of the State to encourage and accelerate the exploration, development and increase the utilization of Renewable Energy (RE) resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy resources, and including hybrid systems;

WHEREAS, Department Circular No. 2009-05-0008 prescribes the Implementing Rules and Regulations (IRR) of RE Act, as well as mandates the DOE, among others, to develop the necessary regulatory framework for the RE Industry;

WHEREAS, Department Circular No. DC2009-07-0011 establishes a Review Committee to evaluate the RE Proposals and Applications of RE Applicants and provide recommendations to the DOE Secretary for the award of RE Service/Operating Contracts (RE Contracts);

WHEREAS, the DOE continues to commit towards greater transparency and provision of competitive system of awarding RE Contracts; and

WHEREAS, Department Circular No. DC2016-02-0001 provides for the reconstitution of the RE-Review and Evaluation Committee (RE-REC) and providing for its functions, duties and responsibilities to enhance the processing of RE Contracts.

NOW, THEREFORE, premises considered, the DOE hereby issues the revised guidelines for the processing of RE Applications for RE Contracts, including amendments and termination thereof.

Section 1. Receipt of RE Contract Applications.

- 1.1 All RE Applications for RE Contracts shall comply with all the requirements prescribed in RE Act, its IRR and pertinent guidelines issued by the DOE. Annex-A of this Department Order (DO) provides the summary of the requirements for immediate reference.
- 1.2 All RE Applications shall be received by the DOE through its Records Division, which shall stamp on the Application Form the date and time of receipt.

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- 1.3 All subsequent documents to support the completeness of the RE Application for evaluation and consideration by the RE-REC shall likewise be submitted to the Records Division.
- 1.4 The RE Applications and other documents related thereto shall be forwarded by the Records Division within one (1) working day upon receipt thereof to the RE-REC Secretariat for processing.
 - a. The RE-REC Secretariat shall manage and monitor the acknowledgment letter of the RE Applications and the issuance of the Order of Payment for the Application Fee.
 - b. The RE Applicant shall provide the RE-REC Secretariat a copy of the DOE official receipt of payment for the Application Fee in accordance with the DOE Schedule of Fees and Charges.

Section 2. RE Contract Area Clearance.

- 2.1 Upon receipt of a copy of the official receipt of payment made for the Application Fee, the RE-REC Secretariat shall endorse the RE Application to the Information Technology Management Services (ITMS) for the area clearance.
- 2.2 The ITMS shall complete its area evaluation and provide the RE-REC Secretariat the evaluation result within three (3) working days from receipt of the request.
- 2.3 If the area is not open for RE Application and/or if it is covered by service contract of other energy/RE technologies or if it is within the protected area, the RE-REC Secretariat shall notify the RE Applicant of such findings.
- 2.4 If the area is already covered by an existing RE Contract for the development of the same RE technology being applied for, the RE Application shall be denied through a written notice to be issued by the RE-REC within three (3) working days from the date of such result.

In case where an area is with pending RE Application for the same RE technology/resource, the RE Applicant shall be notified in writing within three (3) working days that its application shall be placed in a queue. The written notice will indicate that the application will only be considered upon the disqualification of the prior pending application.
- 2.5 For Solar Energy Service Contract (SESC) Application covering rooftop areas located within the contract area of existing SESC, the exact coordinates for the proposed Solar PV rooftop installation may be carved out if any of the following exists:
 - a. The Solar Power plant under the existing SESC is under construction phase or already in commercial operation but will not or does not cover the proposed rooftop areas of the RE Applicant.
 - b. The RE Developer of the existing SESC has complied with its Milestone obligations and in its submitted Feasibility Study and the approved Work Program, there is no showing that it will include in its development the proposed rooftop areas.

- 2.6 In case of overlap with existing service/operating contract other than that with the same RE technology being applied for, the RE Applicant may pursue his application by submitting a written acknowledgement of such fact, and the prior rights of existing RE Contract holder or a requirement to secure further area clearance within a period of three (3) working days from receipt of such notice.
- 2.7 A written acknowledgment of the fact under Section 2.6 hereof shall be integrated in the list of requirements for the purpose of determining the completeness of the RE Application.

Section 3. Completeness of the RE Application. The RE-REC Secretariat shall determine the completeness of the RE Application and notify the RE Applicant of the result within one (1) working day upon receipt of a copy of official receipt of payment for the Application Fee:

- 3.1 To determine the timeliness of submission, only those marked/stamped by the Records Division shall be recognized and considered for evaluation by the RE-REC.
- 3.2 If the submission is complete, the RE-REC Secretariat shall notify the RE Applicant and issue Order of Payment for the Processing Fee which payment shall be made within three (3) working days from receipt of notice.
- 3.3 If the submission is incomplete, the RE-REC Secretariat shall require the RE Applicant in writing to complete the requirements within five (5) working days from receipt of such notice.
- 3.4 Failure of the RE Applicant to complete the documentary requirements or pay the Processing Fee in accordance with the DOE Schedule of Fees and Charges within the prescribed period shall mean withdrawal of the RE Application.

Section 4. RE Contract Evaluation Process Flow.

- 4.1 Only those RE Applications with due payment on the application and processing fees shall be evaluated/processed.
- 4.2 Once the RE Application has been cleared by the ITMS and the completeness of documents has been determined, the RE-REC Secretariat shall endorse the RE Application to the Legal Services (LS) to determine the eligibility of the RE Applicant. The LS shall complete its review and evaluation within three (3) working days from date of receipt of the RE Application.

Should there be a need to clarify the legal submission, LS shall require of the RE Applicant who shall respond within five (5) working days from receipt thereof; Otherwise, the RE Application shall be disqualified.

- 4.3 If the RE Application passed all legal requirements, LS shall endorse the RE Application to the Renewable Energy Management Bureau (REMB) for technical evaluation, to be completed within five (5) working days from receipt of the RE Application.

Should there be a need to clarify the technical submission, REMB shall require of the RE Applicant who shall respond within five (5) working days from receipt thereof; Otherwise, the RE Application shall be disqualified.

- 4.4 If the RE Application passed all technical requirements, REMB shall endorse the RE Application to the Financial Services (FS) for financial evaluation, to be completed within five (5) working days from receipt of the RE Application.
- 4.5 Should there be a need to clarify the financial submission, FS shall require of the RE Applicant to respond within five (5) working days from receipt thereof; Otherwise, the RE Application shall be disqualified.
- 4.6 If the RE Application passed all financial requirements, FS shall endorse it to the RE-REC Secretariat who shall prepare the RE-REC Resolution to recommend approval of RE Contract award by the Secretary.
- 4.7 If the RE Application failed to comply with any of the requirements, the concerned unit shall endorse it to the RE-REC for deliberation.
- 4.8 If the RE Application is withdrawn or failed to qualify, the RE-REC Chairperson shall issue the disqualification letter with the instruction to RE Applicant of an option to retrieve its application documents.
- 4.9 Upon determination that the RE Application is disqualified or deemed withdrawn, the RE-REC shall immediately proceed to evaluate the next in line RE Application.

Section 5. The RE Contract Review and Evaluation Committee and Secretariat.

Pursuant to Department Order No. DO2016-02-0001, the reconstituted RE-REC and the RE-REC Secretariat shall continue, insofar as they are consistent with this Department Order, to discharge the functions, duties and responsibilities under Department Circular No. DC2009-07-0011, and Department Order Nos. DO2013-08-0011, DO2013-10-0018, DO2013-12-0020, DO2013-12-0023, and DO2014-06-0010.

- 5.1 The RE-REC shall convene at least once a month or in the event an important matter arises in the evaluation proceedings that need RE-REC deliberation and resolution of a particular RE Application.
- 5.2 The duly-designated representative of REMB Division handling the RE resource, shall serve as a resource person during the deliberation of the RE Application.
- 5.3 The simple majority of the RE-REC Members shall constitute the presence of a quorum of the RE-REC. However, all members of the RE-REC shall be required to sign respectively in the RE-REC resolution and endorsement to the Secretary. In the absence of the Chairperson, the Vice Chairperson shall preside the meeting.
- 5.4 The RE-REC Secretariat shall be headed by the Assistant Director of REMB, and shall likewise be supported by its Technical Service Management Division (TSMD).



Section 6. Approval and Signing of the RE Contract.

- 6.1 An RE Application that passed the legal, technical and financial evaluation shall be recommended for the award of the RE Contract. The RE-REC Secretariat shall then endorse to the RE-REC the RE Application for deliberation and appropriate action.
- 6.2 The RE-REC shall issue a Resolution that shall contain the highlights of the evaluation and a recommendation to the DOE Secretary to award the RE Contract, within three (3) working days from the date of the RE-REC deliberation. The RE-REC Resolution shall be signed by all RE-REC Members.
- 6.3 The RE-REC Resolution shall be submitted to the DOE Secretary who shall act on it within three (3) working days from its receipt.
- 6.4 Upon approval by the DOE Secretary, the RE-REC Chairperson shall notify the RE Applicant in writing indicating therein the date of signing of the RE Contract which shall be within fifteen (15) working days from receipt of such notice.
- 6.5 If the RE Applicant failed to signify its interest to proceed to the signing of the RE Contract within the prescribed period, the RE Application shall be deemed abandoned or withdrawn and the area shall remain open for application following the procedure in Sections 4.8 and 4.9 hereof.
- 6.6 The RE Contract templates under Department Order Nos. DO2013-08-0011 and DO2014-06-0010 shall continue to be used. Attached hereto are copies of the template for immediate reference (Annex B).
- 6.7 The duly executed RE Contract shall be released only upon submission by the RE Developer of a copy of the official receipt for the payment of corresponding Signature Bonus.
- 6.8 The Certificate of Registration (COR) shall be issued on the date of the execution of the RE Contract and shall be released to the RE Developer upon submission to the Department of the original copy of its Performance Bond.

Section 7. Posting and Updating of RE Contract Awarded and Pending Application in the DOE Website.

- 7.1 The RE-REC Secretariat shall update the RE Contract Awarded and Pending Application once a month and every time a new RE Application commenced with the evaluation or was disqualified or was awarded.
- 7.2 The RE-REC Secretariat shall secure the approval of the RE-REC on the new updates before forwarding the same to ITMS for posting.
- 7.3 The RE-REC Secretariat shall also provide copies for posting in the Energy Virtual One Shared System (EVOSS) website.



Section 8. Amendment and Termination of RE Service/Operating Contracts.

8.1 The concerned REMB Division shall evaluate requests for amendment of existing RESC and recommend amendments as prescribed under Department Order No. DO2014-10-0018, including other grounds for amendments thereof to the RE-REC for deliberation.

In case the evaluation of the concerned REMB Division shows that there are additional costs to be incurred that should warrant another financial evaluation, the said Division shall endorse to FS for subsequent financial evaluation.

8.2 Based on REMB's monitoring, the concerned REMB Division shall evaluate and recommend the termination to the RE-REC for deliberation.

8.3 In both cases as provided in Sections 8.1 and 8.2 hereof, the concerned REMB Division shall provide the RE-REC the complete basis of the recommendation prior to RE-REC deliberation.

8.4 The RE-REC shall issue a Resolution that shall contain the highlights of the evaluation and a recommendation to the DOE Secretary for approval. The RE-REC Resolution shall be signed by all RE-REC Members.

Section 9. Transitory Provision. The application process under this Department Order shall not apply to all pending RE Applications. All pending RE Applications shall be collated and processed by the RE-REC in accordance with the existing guidelines prior to the effectivity of this Department Order.

Section 10. Separability Clause. Should any provision of this Department Order be declared invalid or unconstitutional, the other provisions, so far as they are separable, shall remain in force.

Section 11. Effectivity. This Department Order is effective immediately.

Signed at Energy Center, Rizal Drive, Fort Bonifacio Global City, Taguig City.


ZENAIDA Y. MONSADA
Secretary

 Republic of the Philippines
DEPARTMENT OF ENERGY

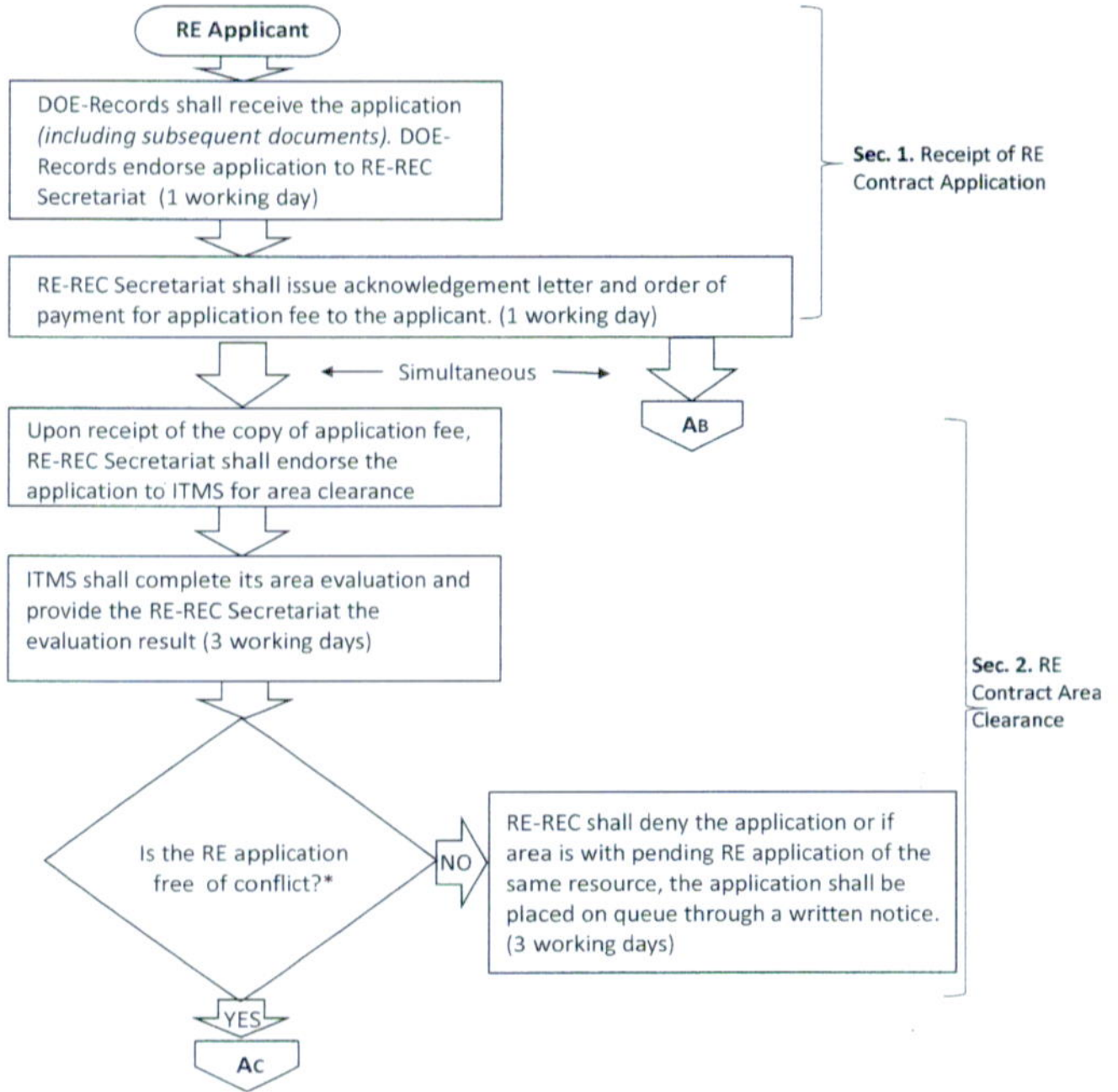
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JUN 24 2016

PROPOSED REGISTRATION PROCESS OF RENEWABLE ENERGY DEVELOPER



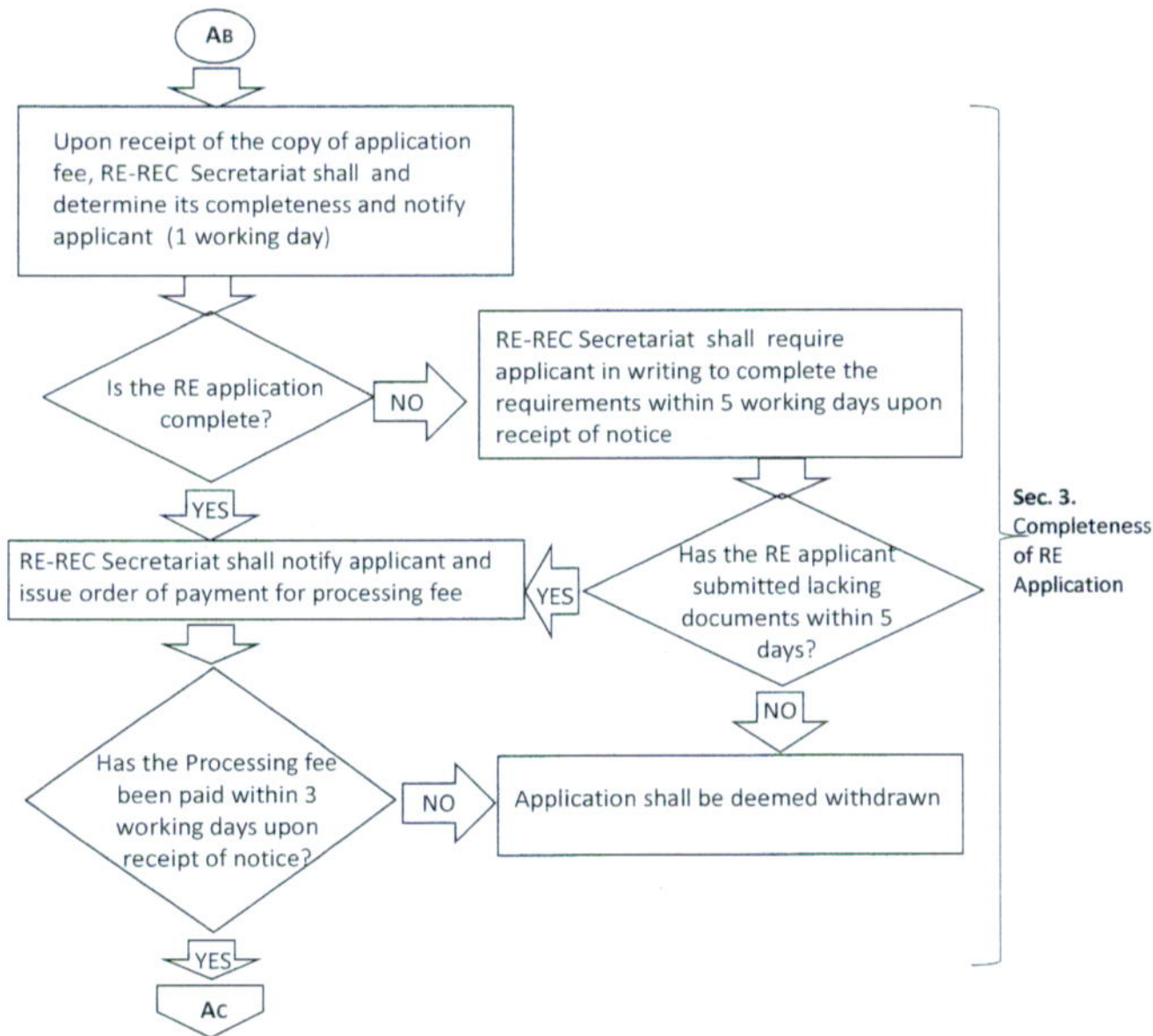
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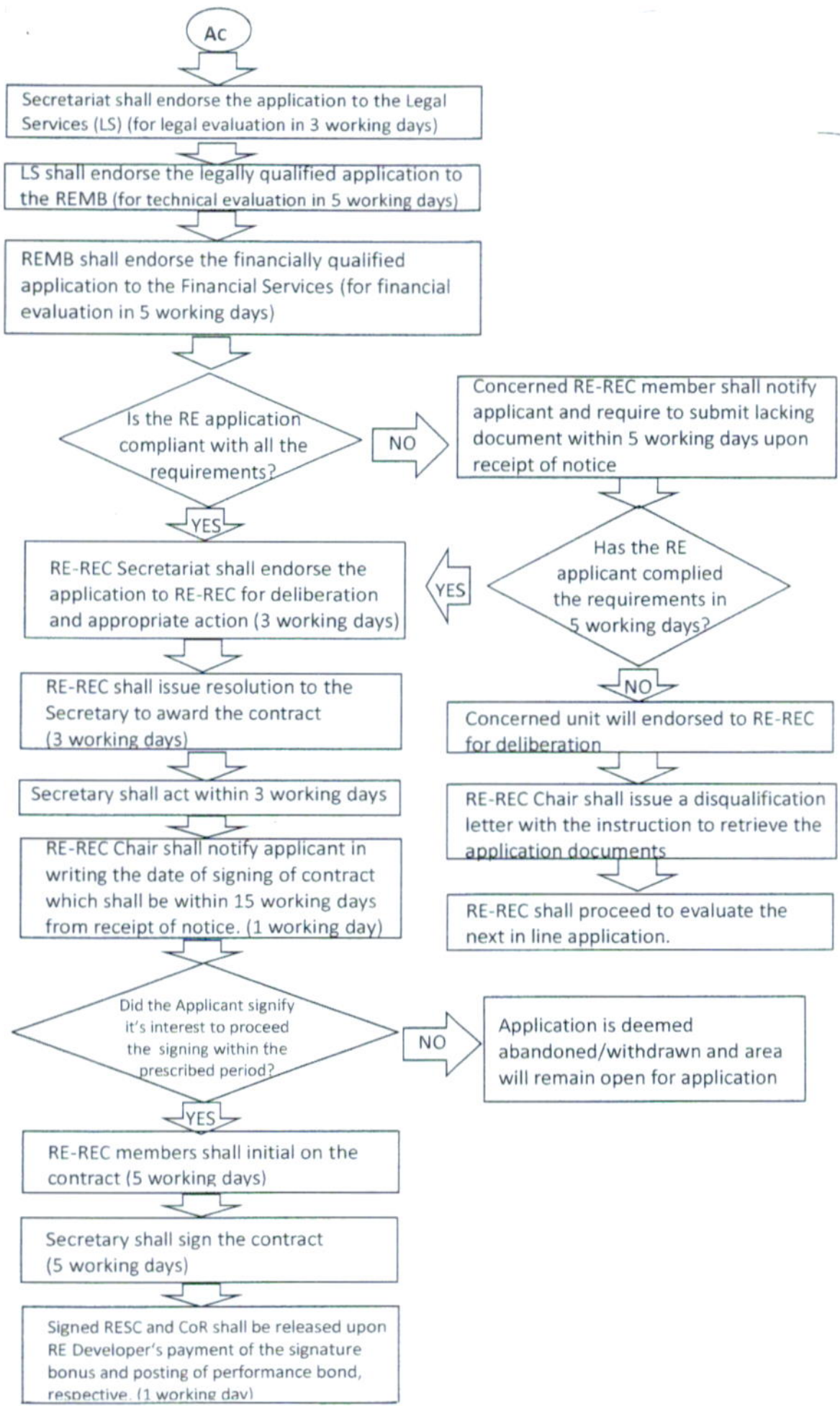
For SESC Rooftop Application within existing SESC, the exact coordinates of the former may be carved out if the following exists:

- Existing SESC is under construction or in commercial operation and does not cover the proposed rooftop area.
- Existing SESC is compliant with Milestone obligation and does not include the proposed rooftop area in its FS and WP.

For RESC Application overlapping with existing RESC of other RE technologies, the former may pursue by submitting a written acknowledgment of such fact and the prior rights of existing RE contract holder or a requirement to secure a clearance. (3 working days)

For RESC Application within protected area, RE-REC Secretariat shall notify the applicant





Sec. 5. RE Contract Evaluation

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