



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

Department Order No. DO2017-04-0005<sup>m</sup>

**PRESCRIBING THE NEW GUIDELINES IN THE  
PROCESSING OF APPLICATIONS FOR RENEWABLE ENERGY SERVICE/OPERATING  
CONTRACTS**

**WHEREAS**, Republic Act (R.A.) No. 7638, as amended, otherwise known as 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**, R.A. No. 9513, otherwise known as the "Renewable Energy Act of 2008 (RE Act)," declares as a 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. DC2009-05-0008 which prescribes the Implementing Rules and Regulations (IRR) of RE Act, also mandates the DOE to develop the necessary regulatory framework for the RE Industry, among others;

**WHEREAS**, Department Circular No. DC2009-07-0011 created 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**, Department Order Nos. DO2016-09-0011 and DO2016-06-0010 reconstituted the membership of the RE-Review and Evaluation Committee (RE-REC) and providing for its functions, duties and responsibilities, as well as revised the existing guidelines for the processing of applications, amendments and terminations of RE service/operating contracts;

**WHEREAS**, it is the thrust of the government to further enhance the transparency and shorten the time frame in the processing and issuance of service contracts and permit;

**NOW, THEREFORE**, premises considered, the DOE hereby issues the following guidelines in the processing of RE Applications for RE Contracts.

### **Section 1. Filing of Letter of Interests ("LOI").**

- (a) All applicants for the processing and issuance of RE Contracts shall initiate its RE Application with the filing of an LOI addressed to the RE-REC, through the Records Division.
- (b) Within one (1) working day from receipt of the LOI, the RE-REC shall issue an acknowledgment letter addressed to the RE Applicant. The said acknowledgment letter shall also direct the RE Applicant to secure an Area Clearance from the Information Technology Management Services (ITMS) of the DOE.
- (c) In the same acknowledgment letter, the RE-REC shall inform the RE Applicant of the schedule of an orientation/briefing on the RE Application requirements and processes. During the orientation/briefing for the RE Applicant, the request for area clearance stamped received by the ITMS shall be presented by the RE Applicant.
- (d) Thereafter, the RE Applicant may file his RE Application with the DOE, subject to the result of the Area Clearance under Section 2 hereof.

**Section 2. Area Clearance.** The RE Applicant shall file a request for an Area Clearance from the ITMS within one (1) working day from receipt of the acknowledgment letter from the RE-REC. The request shall include the exact area of interest/location as shown by the RE Applicant's submission of the PRS '92 geographic coordinates, which shall conform to the RE Blocking System, except for biomass and hydropower which shall provide the exact coordinates of the power plant, weir and powerhouse, respectively.

The ITMS shall complete its evaluation and provide the RE-REC the evaluation result within a period of three (3) working days from receipt of the request.

- a) If the proposed area is already covered by an existing RE Contract for the development of the same RE technology/resource being applied for, the ITMS shall certify that the proposed area is not open for RE Application.
- b) If the proposed 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 a protected area, the ITMS shall inform the RE-REC of such findings and stating the verification results and other necessary information.
- c) In case the proposed area is with a pending RE Application for the same RE technology/resource, the ITMS shall recommend that the RE Application shall be placed in a queue.

- d) For Solar Energy Service Contract (SESC) application covering rooftop areas located within an existing SESC, the exact coordinates for the proposed Solar PV rooftop installation may be carved out in case of the following conditions:
1. The existing SESC is already under construction stage or already in commercial operation and the proposed area of the RE Application does not cover overlap with development area of the existing SESC; or
  2. The RE Developer of the existing SESC has complied with its Milestone obligations and in its submitted Feasibility Study ("FS") and the approved Work Program, there is no showing that it will include in its development the proposed rooftop areas.
- e) In case of overlap with existing service/operating energy contract other than that with the same RE technology/resource being applied for, the RE Applicant may pursue his RE Application by submitting a notarized acknowledgment and undertaking on the following:
1. The recognition of the existence of the prior right of the existing contract holder;
  2. The RE Applicant shall secure the clearance and/or no opposition from the existing contract holder.

In cases under Section 2 (a) and (b) hereof, the RE-REC shall formally notify the RE Applicant. In case the result of the Area Clearance evaluation is covered by Section 2 (c), (d) and (e) hereof, the result shall be presented to the RE Applicant during the orientation/briefing.

**Section 3. Receipt of RE Application.** In case the RE Applicant complies with the procedures and requirements under Section 1 hereof, it may now submit its RE Application as follows:

- (a) The RE Applicant shall prepare and submit five (5) copies of its RE Application. One (1) copy shall be submitted to the DOE Records Division for filing and reference. The other four (4) copies shall be stamped-received by the DOE Records Division.
- (b) The RE Applicant shall then proceed to the RE-REC Secretariat for the issuance of an Order of Payment for its RE Application. The RE-REC Secretariat shall ensure that prior to the issuance of an Order of Payment, the RE Applicant shall show the four (4) copies of its RE Applications as stamped-received by the DOE Records Division.

- (c) After payment of the application fee, the RE Applicant shall then submit the four (4) copies to the RE-REC Secretariat. The RE-REC Secretariat shall keep one (1) copy of the RE Application for filing and reference.

At this stage, the RE Application is deemed filed and submitted so as to determine the order of formal filing by the RE Applicant.

**Section 4. RE Contract Evaluation Process Flow.** The RE-REC Secretariat shall, within one (1) working day from receipt thereof, distribute the three (3) copies of the RE Application to the following units: (1) Legal Services for legal evaluation, (2) REMB Division for technical evaluation and (3) Financial Services for financial evaluation. Thereafter, all RE-REC Technical Working Group member units shall evaluate the RE Application at the same time.

- (a) The LS shall complete its review and evaluation within five (5) working days from date of receipt of the RE Application.

In case the RE Applicant is not legally qualified, the Legal Services shall inform the RE-REC Secretariat within the evaluation period. Otherwise, the RE Application shall be endorsed to the RE-REC Secretariat for further processing.

- (b) The appropriate division of the Renewable Energy Management Bureau (REMB) shall complete its technical evaluation within five (5) working days from receipt of the RE Application.

In case the RE Applicant is not technically qualified, the REMB Division shall inform the RE-REC Secretariat within the evaluation period. Otherwise, the RE Application shall be endorsed to the RE-REC Secretariat for further processing.

- (c) The Financial Services (FS) shall complete its financial evaluation within five (5) working days from receipt of the RE Application.

In case the RE Applicant is not financially qualified, the Financial Services shall inform the RE-REC Secretariat within the evaluation period. Otherwise, the RE Application shall be endorsed to the RE-REC Secretariat for further processing.

- (d) If the RE Application passed the legal, technical and financial evaluations, the RE-REC Secretariat shall prepare, within three (3) working days from receipt of all the evaluations, an RE-REC Resolution to recommend approval of an RE Contract by the Secretary.

- (e) In case the RE Application is not either legally, technically or financially qualified, or not qualified all together, the RE-REC Secretariat shall, within three (3) working days from receipt of all the evaluations, require the RE Applicant in writing to submit additional or lacking documents in order for it to qualify within a period of five (5) working days from receipt of such notice. Copy of the Memoranda of the legal, technical and financial evaluations shall be attached.

Failure of the RE Applicant to complete the documentary requirements within the prescribed period shall mean withdrawal of the RE Application. Thereafter, a notice shall be issued to the RE Applicant by the RE-REC that the RE Application is deemed withdrawn.

- (f) In case the RE Applicant submits additional or lacking documents for it to qualify with the prescribed period under Section 4 (d) hereof, the RE-REC shall convene and evaluate the submitted documents. In this regard, the RE-REC shall then decide whether to qualify or disqualify the RE Application.
- (g) In case the RE Applicant is disqualified, the RE-REC shall issue a formal notice to the RE Applicant stating the basis of the disqualification and immediately proceed to the next-in-line RE Application. Otherwise, the RE-REC shall recommend the award of an RE Service/Operating Contract.

**Section 5. The RE Contract Review and Evaluation Committee, Technical Working Group and Secretariat.** The RE-REC, RE-REC Technical Working Group and RE-REC Secretariat are hereby constituted as follows:

**RE-REC**

Chairperson : Chief of Staff (COS)  
Vice-Chairperson : Director, REMB  
Members : Director, Legal Services (FS)  
Director, Financial Services (LS)  
Director, ITMS

**RE-REC Technical Working Group (TWG)**

Chairperson : Director III, Office of the Secretary  
Vice-Chairperson : Assistant Director, REMB  
Members : Chief, concerned REMB Division  
Chief, Renewable Energy Legal Service Division- LS  
Chief, Renewable Energy Resources Compliance  
Division-FS  
Chief, Information Services Division of ITMS

The RE-REC TWG shall be assisted and supported by the Technical Service Management Division-REMB, acting as Secretariat.

The RE-REC, RE-REC TWG and the RE-REC Secretariat shall continue, insofar as they are consistent with this DO, to discharge the functions, duties and responsibilities under Department Circular No. DC2009-07-0011, and Department Order Nos. DO2013-12-0020, DO2014-06-0010 and DO2014-10-0018.

- (a) 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.
- (b) The simple majority of the RE-REC Members shall constitute a quorum. In the absence of the Chairperson, the Vice Chairperson shall preside the meeting.

#### **Section 6. Approval and Signing of the RE Contract.**

- (a) Any RE Application that passed the legal, technical and financial evaluation under Section 4 (d) and (e) hereof shall be recommended for the award of an RE service/operating contract.
- (b) The RE-REC shall issue a Resolution that shall contain the highlights of the evaluation and a recommendation to the DOE Secretary, through the Assistant Secretary and Undersecretary, 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.

The RE-REC Secretariat shall prepare the RE Resolution, including the legal, technical and financial evaluations, the Certificate of Registration (COR) and endorsement letters, and coordinate the pre-signing by the RE Applicant within the same three (3)- working day period.

- (c) The RE-REC Resolution, all attachments and the pre-signed RE service/operating contract shall be submitted to the DOE Secretary who shall act on it within seven (7) working days from receipt.
- (d) The RE Contract that will be issued to the RE Applicant shall follow the RE Contract templates hereto attached as *Annexes "A" to "F"*.
- (e) The notarized copy of the RE Contract and the COR shall be furnished to the RE Applicant upon submission by the latter of a copy of the official receipt ("OR") as proof of payment of the corresponding Signature Bonus.

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

- (a) 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.
- (b) The RE-REC Secretariat shall secure the approval of the RE-REC on the new updates before forwarding the same to ITMS for posting and database update. Thereafter, all applications in queue as provided under Section 2.c shall be deleted by ITMS and the RE applicant shall be informed by TSMD that its application is hereby disqualified.
- (c) 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.**

- (a) The concerned REMB Division shall evaluate and recommend amendments of RE Service/Operating Contracts as prescribed under Department Order No. DO2014-10-0018, including other amendments to the RE-REC for approval.

In case the evaluation of the concerned REM 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.

- (b) Based on REMB's monitoring, the concerned REMB Division shall evaluate and recommend the termination of RE Service/Operating Contracts to the RE-REC for approval.
- (c) In both cases as provided in Sections 8 (a) and 8(b) hereof, the concerned REMB Division shall provide the RE-REC the complete basis of the recommendation prior to RE-REC deliberation.
- (d) 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.
- (e) The RE-REC shall immediately provide to ITMS any RE Contract status for timely update of database.

**Section 9. Repealing Clause.** Department Order Nos. DO2016-02-0001, DO2016-06-0010, DO2016-09-0011, DO2013-08-0011 and all other Department Circulars, Orders and issuances which are inconsistent with any of the provisions of this Department Order are hereby amended or repealed accordingly.

**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 shall take effect immediately.

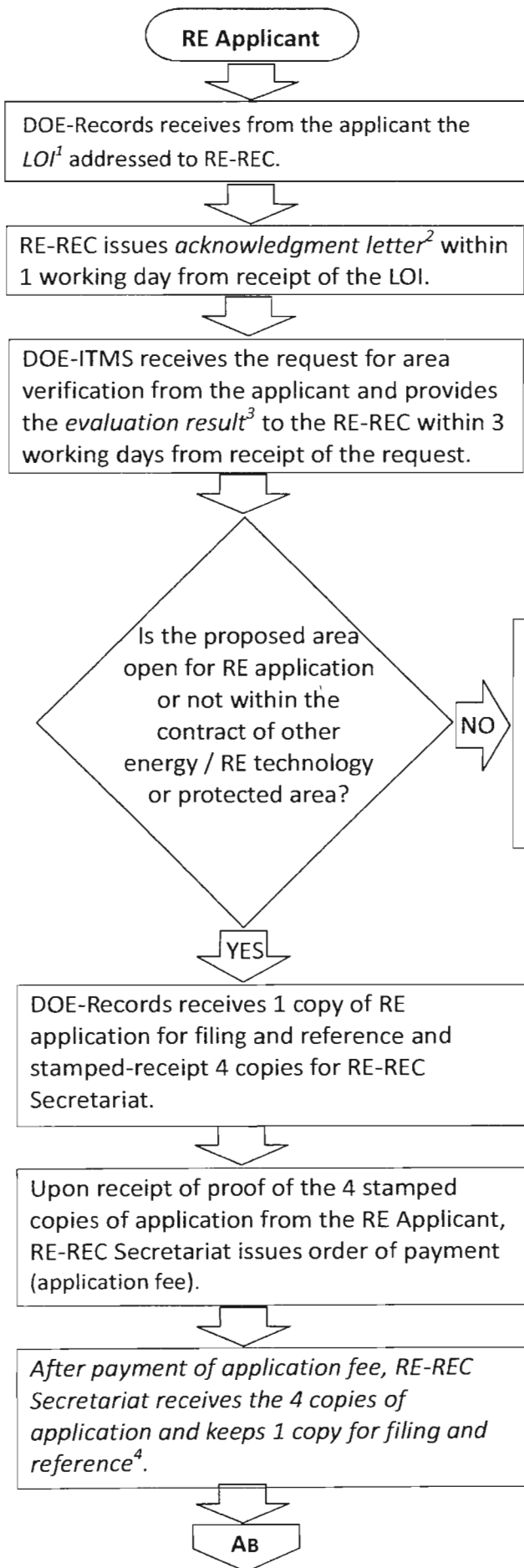
  
ALFONSO G. CUSI  
Secretary



APR 07 2017



**FLOWCHART UNDER THE DEPARTMENT ORDER NO. DO2017-04 - 0005 OR GUIDELINES IN THE PROCESSING OF APPLICATIONS FOR RENEWABLE ENERGY SERVICE/OPERATING CONTRACTS**



**Sec. 1. Filing of Letter of Interest (LOI)**

Note:

1. All applicants shall initiate its applications with the filing of an LOI.
2. Acknowledgment letter shall also direct the RE Applicant to secure an Area Clearance from the DOE-ITMS within 1 day upon receipt of the letter and inform of the schedule of orientation/briefing on the requirements and processes. A stamped receipt of the area clearance shall be presented during orientation/briefing.

**Sec. 2. Area Clearance**

Note:

3. Sec. 2 (c),(d) & (e) results shall be presented to applicant during orientation /briefing:
  - (c) For proposed area with a pending RE application for the same technology:
    - ITMS recommends application to be placed in a queue.
  - (d) For SESC Rooftop Application within existing SESC, the exact coordinates of the former may be carved out in case the following:
    - 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.
  - (e) For RES/OC Application overlapping with existing RES/OC of other RE technologies, the former may pursue by submitting a notarized acknowledgment and undertaking of the following:
    - The recognition of the existence of the prior right of existing contract holder.
    - The applicant shall secure clearance from the existing contract holder.

**Sec. 3. Receipt of RE Application**

Note:

4. At this stage, the RE application is deemed filed and submitted so as to determine the order of formal filing by the RE Applicant.

AB

Within 1 day upon receipt thereof, RE-REC Secretariat distributes the 3 copies of RE Application to the following for simultaneous evaluation:

LS completes review and legal evaluation within 5 days from receipt and endorses the same to RE-REC Secretariat

REMB concerned division completes technical evaluation within 5 days from receipt and endorses the same to RE-REC Secretariat

FS completes financial evaluation within 5 days from receipt and endorses the same to RE-REC Secretariat

Is the RE application legally/technically/financially qualified?

NO

Within 3 working days from receipt of evaluation result, RE-REC Secretariat requires applicant in writing to submit additional/lacking documents within 5 working days from receipt of such notice

YES

Within 3 days upon receipt, RE-REC Secretariat prepares RE-REC resolution recommending approval of an RE contract by the DOE Secretary

Sec. 4. RE Contract Evaluation Flow

RE-REC convenes and evaluates submitted documents.

Are the lacking documents completed on time?

YES

NO

RE-REC issues notice to the applicant that the application is deemed withdrawn.

Is the RE application qualified?

YES

NO

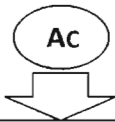
RE-REC issues formal notice to the applicant stating the basis of disqualification and immediately proceeds to the next in line application.

Ac

1 WD

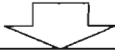
5 WD

3 WD



3 WD

RE-REC issues *Resolution*<sup>5</sup> to award the RESC within 3 working days from date of RE-REC deliberation. RE-REC Secretariat shall prepare the RE Resolution, including the legal, technical and financial evaluations, the COR and endorsement letters, and coordinate the pre-signing by the Applicant within the same 3-day period.



7 WD

Upon receipt of resolution, all attachments and pre-signed *RE service/operating contract*<sup>6</sup>, DOE-Secretary shall act on it within 7 days.



RE-REC Secretariat furnishes the applicant of the notarized RE-Contract and COR upon receipt of the OR (signature bonus).

### Sec. 6. Approval and Signing of RE Contract

*Note:*

- 5. This shall contain the highlights of the evaluation and a recommendation to the Secretary through Asec and Usec. The same shall be signed by all RE-REC Members.
- 6. Contract templates attached as Annexes "A" to "F"

**Note:**

- **PROCESSING PERIOD – NOT MORE THAN 25 WORKING DAYS.** (19 Working Days is doable as shown above).