



Republic of the Philippines
DEPARTMENT OF ENERGY

Department Order No. DO 2010-06-0011

AMENDING DEPARTMENT ORDER NOS. 2003-05-005 AND 2009-09-0013⁹²⁵
THEREBY RECONSTITUTING THE DEPARTMENT OF ENERGY CONTRACTS
NEGOTIATING PANEL AND EXPANDING ITS COVERAGE TO INCLUDE RENEWABLE
ENERGY SERVICE/OPERATING CONTRACTS

WHEREAS, it is the declared policy of the State under Republic Act No. 7638 otherwise known as "Department of Energy Act of 1992", to ensure a continuous, adequate and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management and development of country's indigenous resources;

WHEREAS, on 16 May 2003, in order to institutionalize and provide procedural guidelines in the negotiations/approval of service/operating contracts, the DOE issued Department Order No. 2003-05-005 creating a Contracts Negotiating Panel for the negotiations/approval of Service Contracts/Operating Contracts under Presidential Decree No. 87 (PD 87), Presidential Decree No. 1442 (PD 1442), Presidential Decree No. 972 (PD 972) and Executive Order No. 462, as amended (EO 462);

WHEREAS, the enactment of Republic Act No. 9513 (RE Act) otherwise known as "Renewable Energy Act of 2008" placed geothermal energy under the direct supervision and implementation of the Renewable Energy Management Bureau (REMB);

WHEREAS, the Department Order No. 2009-09-0013 was issued on 09 September 2009 creating an Interim Negotiating Panel for Renewable Energy Service/Operating Contracts (RE Contracts) to ensure due evaluation/negotiation of increasing number of pending RE Contracts applications while awaiting the finalization of the Renewable Energy Management Bureau (REMB) structure;

WHEREAS, the exploration and development of indigenous energy resources such as oil, gas, coal, including RE resources, are expected to translate into additional capacity or energy supply for the country and, therefore, it is imperative on the part of the DOE to constitute a Negotiating Panel with a wider scope and coverage and with a long term view of attaining efficient and effective planning and monitoring;

WHEREAS, in the interest of public service and to provide a more comprehensive negotiation process on the service contracts/operating contracts, there is a need to reconstitute the Contracts Negotiating Panel in order to include the representation of the various DOE units for the purpose of providing a more synchronized action in preparing, integrating, coordinating, supervising and controlling all plans, programs, projects and activities of the Government

relative to energy exploration, development, utilization, distribution and conservation toward a common goal of ensuring reliable, secure and reasonably-priced energy;

NOW THEREFORE, the Department of Energy Contracts Negotiating Panel is hereby reconstituted as follows:

Section 1. Composition. The following DOE units and offices are hereby designated to constitute the DOE Negotiating Panel for Service/Operating Contracts under PD 87, PD 972, and the RE Act:

Chairperson: Undersecretary

Vice-Chairperson: Assistant Secretary

Members: Director, Energy Policy and Planning Bureau (EPPB)
Director, Energy Resource Development Bureau (ERDB)
Director, Renewable Energy Management Bureau (REMB)
Director, Electric Power Industry Management Bureau (EPIMB)
Director, Energy Utilization Management Bureau (EUMB)
Director, Financial Services (FS)
Director, Legal Services (LS)

The Chairperson of the Contracts Negotiating Panel shall be duly designated by the DOE Secretary and shall have a one (1) year term. The Chairperson-designate shall have the obligation of providing regularly the DOE Secretary, copy furnished all DOE units, with a list of all service/operating contracts negotiated and signed together with a brief description of the terms thereof, including the period of the contract and the financial and economic benefits to be provided to the DOE, if any. Likewise, prior to completion of his term as the Chairperson-designate, a Completion Report shall be prepared and submitted to the DOE Secretary containing, among other things, the list of completed/closed out contracts, pending applications and other relevant activities done by the negotiating panel. Such Completion Report shall be provided to all DOE Units and posted in the DOE website.

Section 2. Responsibilities. In addition to the respective mandate and functions of the aforementioned DOE units and offices, the Negotiating Panel shall perform the following responsibilities:

- (a) Examine, evaluate and review the technical, financial and legal requirements of the project proponents as provided for in PD 87, PD 972, RE Act and the pertinent constitutional provisions and existing circulars, rules and regulations thereon;
- (b) Negotiate with the applicants the reasonable and just terms and conditions pursuant to existing constitutional provisions and applicable laws, circulars, rules and regulations;

- (c) Recommend to the Secretary the awarding of the Service/Operating Contracts, as the case may be;
- (d) Monitor performance of the contractors/developers; and
- (e) Recommend for approval by the Secretary any deviation and/or changes in the Service/Operating contracts.


Within thirty (30) days from the reconstitution of the Negotiating Panel, a set of rules and procedures including negotiating guidelines shall be prepared and promulgated by the DOE.

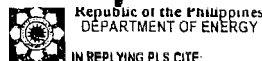
Section 3. Secretariat Support. The Office of the Director of the Legal Services shall be responsible for the flow of documents from receipt of application to processing by the various panel members for technical, financial, economic and legal evaluation.

Section 4. Meetings. To ensure compliance with this Department Order, the Chairperson shall call a meeting at least once a month or as often as necessary, depending on the volume of applications. The Chairperson may call special meetings in case of the commencement of contracting rounds.

Section 5. Repealing Clause. Any orders or directives inconsistent herewith are hereby accordingly amended or superseded.

Section 6. Effectivity. This Department Order shall take effect immediately


JOSE C. BAZETA
Acting Secretary



IN REPLYING PLS CITE:
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