

TO : ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS, PUNONG BARANGAYS, DILG REGIONAL/ PROVINCIAL/ CITY DIRECTORS, DILG BARMM MINISTER, CLUSTER LEADERS, C/MLGOOS, AND ALL OTHER CONCERNED

DOE FIELD OFFICES

SUBJECT : GUIDELINES FOR LGUs TO FACILITATE THE IMPLEMENTATION OF ENERGY PROJECTS

DATE :

1.0 BACKGROUND

- 1.1 The National Economic and Development Authority (NEDA) launched **AmBisyon 2040** which envisions *Filipinos to enjoy a strongly rooted comfortable and secure life in all aspects by 2040.*
- 1.2 The Philippine Development Plan (PDP) 2017-2022 intends to accelerate all infrastructure development projects, including the energy sector.
- 1.3 The Philippine Energy Plan (PEP) seeks to unify with government partners and the private sector to meet the country's electricity and fuel requirements through improvements in the energy market, simplification of government procedures, promotion of resiliency in energy systems and infrastructures, and the enhancements of the consumers' power of choice.
- 1.4 The Philippine Power Development Plan forecasts that the country will need 43,765 megawatts (MW) additional capacity by 2040. With an average annual growth rate of 5.7%, power demand will continue to move in an upward trend.
- 1.5 President Rodrigo R. Duterte, in adopting a whole-of-government approach for the needs of the energy sector, issued Executive Order No. 30 (EO 30) to streamline regulatory procedures affecting Energy Projects of National Significance.
- 1.6 The Congress of the Philippines passed Republic Act (RA) 11032 entitled, "Ease of Doing Business and Efficient Government Service Delivery (EODB) Act of 2018" and RA 11234 entitled, "Energy Virtual One-Stop Shop (EVOSS) Act" to establish the inter-operability of government processes through an online system that streamlines the permitting processes of power generation, transmission, and distribution projects.
- 1.7 The Department of Energy (DOE), in implementing the pertinent energy laws, sees the Local Government Units (LGUs) as indispensable stakeholders and reiterates the existing and potential benefits for host communities of energy projects, such as Energy Regulation 1-94, national wealth tax or government share, job creations, and other social and economic development programs.
- 1.8 The Department of the Interior and Local Government (DILG), in support of the DOE, enjoins all LGUs to implement the directive of the President on the implementation of energy projects through the issuance of this policy.

- 1.9 The DILG herein prescribes the draft ordinance for the consideration of LGUs in order for them to comply with the provisions of the EVOSS Act including the fees and other charges imposed on the power generation, transmission, and distribution projects attached as Annex A.

2.0 PURPOSE

- 2.1 To establish, strengthen and integrate the national energy plans, programs, policies and mechanisms into the local development plans, with respect to:
 - i. Energy safety practices
 - ii. Energy efficiency and conservation
 - iii. Energy resiliency
 - iv. Energy planning which includes energy access and resource development
- 2.2 To harmonize and fast-track the implementation of the EVOSS Act, EODB Act and EO 30.
- 2.3 To maximize benefits from energy projects to the host communities.
- 2.4 To implement the other necessary energy programs and projects to spur the total development of the LGUs.

3.0 LEGAL BASES

3.1 DILG LAWS

- 3.1.1 Executive Order No. 292, series of 1987 (Reorganization Act of the Department of Local Government and for Other Purposes)
- 3.1.2 Republic Act No. 6975, An Act Establishing the Philippine National Police Under a Reorganized Department of the Interior and Local Government, and for Other Purposes (Department of the Interior and Local Government of 1990)
- 3.1.3 Republic Act No. 7160, An Act Providing for a Local Government Code of 1991 (Local Government Code of 1991)

3.2 ENERGY-RELATED LAWS

- 3.2.1 Presidential Decree No. 87, Amending Presidential Decree No. 8 Issued on October 2, 1972 and Promulgation of an Amended Act to Promote the Discovery and Production of Indigenous Petroleum and Appropriate Funds Therefor (The Oil Exploration and Development Act of 1972)
- 3.2.2 Presidential Decree No. 972, Promulgating an Act to Promote an Accelerated Exploration, Development, Exploitation, Production and Utilization of Coal (The Coal Development Act of 1976)
- 3.2.3 Republic Act No. 7638, An Act Creating the Department of Energy, Rationalizing the Organization and Functions of Government Agencies Related to Energy, and for Other Purposes (Department of Energy Act of 1992)

- 3.2.4 Republic Act No. 8479, An Act Deregulating the Downstream Oil Industry and for Other Purposes (Downstream Oil Industry Deregulation Act of 1998)
- 3.2.5 Republic Act No. 9136, An Act Ordaining Reforms in the Electric Power Industry, Amending for the Purpose Certain Laws and for Other Purposes (Electric Power Industry Reform Act of 2001)
- 3.2.6 Republic Act No. 9367, An Act to Direct the Use of Biofuels, Establishing for this Purpose the Biofuel Program, Appropriating Funds Therefor, and for Other Purposes (Biofuels Act of 2006)
- 3.2.7 Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes (Renewable Energy Act of 2008)
- 3.2.8 Republic Act No. 10632, An Act Amending Certain Provisions of Republic Act No. 7581 (An Act Providing Protection to Consumers by Stabilizing the Prices of Basic Necessities and Prime Commodities and by Prescribing Measures Against Undue Price Increases During Emergency Situations and like Occasions and for Other Purposes)
- 3.2.9 Republic Act No. 11285, An Act Institutionalizing Energy Efficiency and Conservation, Enhancing the Efficient Use of Energy, and Granting Incentives to Energy Efficiency and Conservation Project (Energy Efficiency and Conservation Act)
- 3.2.10 Republic Act No. 11361, An Act Ensuring the Continuous and Uninterrupted Transmission and Distribution of Electricity and the Protection of the Integrity and Reliability of Power Lines, and Providing Penalties for Violations Thereof (Anti-Obstruction of Power Lines Act)

3.3 PRIVATE SECTOR PARTICIPATION LAWS

- 3.3.1 Republic Act No. 7718, An Act Amending Certain Sections of Republic Act No. 6957 (An Act Authorizing the Financing, Construction, Operation, and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes)

3.4 REGULATORY REFORM LAWS

- 3.4.1 Republic Act No. 11234, An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects (Energy Virtual One-Stop Shop Act)
- 3.4.2 Republic Act No. 11032, Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (Ease of Doing Business Act of 2018)
- 3.4.3 Executive Order No. 30, Creating the Energy Investment Coordinating Council (EICC) in order to Streamline the Regulatory Procedures Affecting Energy Projects (EO 30)

3.5 Supporting policies enacted:

- 3.5.1 DILG-DOE Joint Circular 95-01 dated 31 October 1995 entitled, "*Utilization of Shares from National Wealth*"
- 3.5.2 DOE Department Circular No. DC2003-11-010 entitled, "*Rules and Regulations Governing the Business of Retailing Liquid Petroleum Products*"
- 3.5.3 DOE Department Circular No. DC2007-02-0002 entitled, "*Providing for the Rules and Regulations Governing the Business of Supplying, Hauling, Storage, Handling, Marketing and Distribution of Liquefied Petroleum Gas (LPG) for Automotive Use*"
- 3.5.4 DOE Department Circular No. DC2014-01-0001 entitled, "*Providing for the Rules and Regulations Governing the LPG Industry*"
- 3.5.5 DOE Department Circular No. DC2017-11-0011 entitled, "*Promulgating a Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels*"
- 3.5.6 DOE Department Circular No. DC2019-05-0007 entitled, "*Rules and Regulations Implementing Republic Act No. 11234 (Energy Virtual One-Stop Shop Act)*"
- 3.5.7 DOE Department Circular No. DC2019-11-0014 entitled, "*Implementing Rules and Regulations of Republic Act No. 11285 (Energy Efficiency and Conservation Act)*"
- 3.5.8 DOE Department Circular No. DC2020-02-0002 entitled, "*The Implementing Rules and Regulations of Republic Act No. 11361, Otherwise Known as the "Anti-Obstruction of Power Lines Act"*"
- 3.5.9 DILG-DPWH-DICT-DTI Joint Memorandum Circular No. 2018-01 entitled, "*Guidelines in Streamlining the Processes for the Issuance of Building Permits and Certificate of Occupancy*"
- 3.5.10 DILG-DOF Joint Memorandum Circular No. 2019-01 entitled, "*Guidelines for the Review, Adjustment, Setting and/or Adoption of Reasonable Regulatory Fees and Charges of Local Government Units*"
- 3.5.11 DILG Memorandum Circular No. 2019-117 entitled, "*Guidelines in the Integration of the Issuance of Barangay Clearance in the Permitting Processes of Cities and Municipalities*"
- 3.5.12 DILG-ARTA Joint Memorandum Circular No. 2019-01 entitled, "*Guidelines on the Regulatory Reform for LGUs pursuant to the Ease of Doing Business and Efficient Government Service Delivery (EODB-EGSD) Act of 2018*"
- 3.5.13 PPPC-DILG Joint Memorandum Circular No. 2019-01 entitled "*Supplemental Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Government (LGU P4)*"
- 3.5.14 DOJ Opinion Number 18 Series of 2019, Opinion of the Secretary of Justice on the Implementation of Republic Act No. 11234 or the EVOSS Act in relation to Republic Act No. 11032 or EODB Act and Executive Order No. 30 s. 2017

3.5.15 Administrative Order No. 23 Series of 2020, Eliminating Overregulation to Promote Efficiency of Government Processes

4.0 COVERAGE

This Joint Memorandum Circular covers:

- 4.1 All Provincial Governors, Vice Governors, City and Municipal Mayors, Vice Mayors, Punong Barangays, and Members of the Sangguniang Panlalawigan/ Panlungsod/ Bayan/ Barangay, and Local Development Councils (LDCs);
- 4.2 DILG Regional/ Provincial/ City Directors, DILG BARMM Minister, Cluster Leaders, C/MLGOOs, and others concerned; and
- 4.3 DOE Field Offices.

5.0 POLICY CONTENT

- 5.1 The LGU, through its LDC, shall activate the Energy Sector Committee to implement this Joint Memorandum Circular which incorporates the energy programs, policies, and projects into the spatial plan of the LGU (Physical Framework Plan or Comprehensive Land Use Plan, whichever is applicable) and the comprehensive development plan.
- 5.2 SPATIAL PLAN. The LGU Cities, and Municipalities, in consultation with concerned stakeholders, shall identify upstream conventional (coal, oil, or natural gas) and/or renewable energy (biomass, geothermal, solar, hydropower, ocean, and wind) resources within its area of jurisdiction which shall be posted on its website.
 - 5.2.1 The LGU Cities and Municipalities, in consultation with concerned stakeholders, shall plot existing upstream and downstream energy facilities with coordinates in accordance with the Philippine Reference System 1992 (PRS 92).
 - 5.2.2 The LGU Cities and Municipalities shall coordinate with existing private sector stakeholders on the expansion plans of the existing upstream and downstream energy facilities.
 - 5.2.3 The LGU Cities and Municipalities shall submit the data under 5.2.1 to 5.2.2 to their LGU Province (when applicable), to the concerned DILG Regional Office and DOE Field Office.
 - 5.2.4 All data under 5.2.3 shall be submitted to the DILG and DOE Central Offices.
 - 5.2.5 The LGU Cities and Municipalities may coordinate with the PPP Center for investment opportunities and potential private-public partnerships.
- 5.3 DEVELOPMENT PLANS. The LGU Barangay, Municipality, City, and Province shall monitor and collect the benefits of energy projects and incorporate these benefits in its comprehensive development plan. The benefits to host communities from energy projects include Energy Regulation 1-94 (ER1-94), the National Wealth Tax, among other pertinent laws.

The LGU Barangay, Municipality, City, and Province shall include all local energy policies, plans, and programs covering energy safety and best practices, energy efficiency and conservation, and energy resiliency in its comprehensive development plan which shall be submitted to its respective Regional Development Council and integration to each of its Regional Development Plan.

5.4 ENERGY REGULATORY REFORMS. The LGU shall streamline the processes in issuing the necessary permits on energy-related projects in accordance with Section 14 of RA 11234.

5.4.1 The LGU shall submit a unified and streamlined permitting process and corresponding fees.

5.4.2 The LGU shall process permits within the prescribed time frame as stated for in the EVOSS Act to fast track processing of necessary permits to expedite their completion.

5.4.3 The LGU shall designate a focal person/s or units to ensure the implementation of the EVOSS Act and its IRR.

5.4.4 Upon the submission of the complete documents by the energy project applicant, the concerned LGU (barangay, municipality, city or province) shall issue the corresponding permit within fifteen (15) calendar days for the proposed generation, transmission and/or distribution project, unless the coverage of the energy project is expanded by the EVOSS Steering Committee.

Failure of an LGU to act on applications duly submitted with complete supporting electronic documents within in the time frame shall be deemed an approval of such application by the LGU.

5.4.5 Penalties under the EVOSS Act

“Any person found guilty of committing the acts stated in Section 17 (a) and (b) shall be penalized as follows:

- (a) First offense - Thirty (30) days suspension without pay;*
- (b) Second offense - Three (3) months suspension without pay; and*
- (c) Third offense - Dismissal and perpetual disqualification from public service.*

Any person found guilty of committing the act stated in Section 17 (c) shall be penalized as follows:

- (a) First offense - Thirty (30) days suspension without pay and mandatory attendance in Values Orientation Program;*
- (b) Second offense - Three (3) months suspension without pay; and*
- (c) Third offense - Dismissal and perpetual disqualification from public service, and forfeiture of retirement benefits.*

Any person found guilty of committing the act stated in Section 17 (d) shall suffer the penalty of dismissal and perpetual disqualification from public service.

Any person found guilty of violating Section 18 shall suffer the penalty of dismissal and perpetual disqualification from public service.

In cases of violation by the system operator and market operator of Section 17 (a), (b), and (c), the ERC shall impose a fine of One hundred thousand pesos (P100,000.00) for every day of delay.”

5.5 The LGUs shall encourage the consumers' participation to ensure energy security.

5.6 INFORMATION EDUCATION COMMUNICATION CAMPAIGN. The LGU, in coordination with the DILG and the DOE, shall disseminate and capacitate its concerned stakeholders and constituents on energy safety practices, energy efficiency and conservation, energy resiliency, energy planning which includes energy access and resource development, energy programs, policies, and projects.

5.7 The DILG and the DOE shall provide technical support to the LGUs which includes among others, the conduct of information education campaigns, investment fora, dialogues, and consultations.

5.8 All DILG Regional Directors are hereby directed to cause the widest dissemination of this Joint Memorandum Circular and extend the necessary assistance.

6.0 TIME FRAME

Within sixty (60) calendar days from the effectivity of this Joint Memorandum Circular, the DILG Regional Offices shall report the compliance of all LGUs under their jurisdiction and quarterly reporting thereafter.

7.0 APPROVING AUTHORITY

EDUARDO M. ANO
Secretary
Department of the Interior and Local Government

ALFONSO G. CUSI
Secretary
Department of Energy

8.0 PENALTIES

8.1 Failure of an LGU personnel involved to act on applications duly filed with supporting documents within the given time period of time shall be deemed approved of such application by the LGU and the said LGU shall be subjected to the penalties provided in Section 19 of RA 11234.

9.0 FEEDBACK

9.1 For queries and clarifications, kindly contact:

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