



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

DEPARTMENT CIRCULAR NO. DC2017- 09-0010 *h*

ADOPTING THE PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM (PCECP) OF AWARDING COAL OPERATING CONTRACTS (COC) AND CREATING THE REVIEW AND EVALUATION COMMITTEE (REC) REPEALING FOR THIS PURPOSE DEPARTMENT CIRCULAR NO. DC2014-02-0005 AND DEPARTMENT ORDER NO. DO2014-08-0017

WHEREAS, Republic Act No. 7638, as amended, otherwise known as "*The Department of Energy (DOE) 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;

WHEREAS, Section 4 of Presidential Decree No. 972, as amended, otherwise known as "*The Coal Development Act of 1976*", allow the Philippine Government (the "Government") to promote and undertake the exploration, development and production of the country's indigenous coal resources through Coal Operating Contracts (COCs) with contractors:

WHEREAS, the DOE issued Department Circular No. DC2014-02-0005 (the "*5th Philippine Energy Contracting Round (PECR5) Guidelines*") to reiterate and acknowledge the need to continue adopting a transparent and competitive system for awarding COCs for the exploration, development, and production of the country's coal resources;

WHEREAS, the DOE issued Department Order No. DO2014-08-0017, as amended, otherwise known as "*Prescribing Guidelines and Procedures for the Amendment of Contract Area in Coal Operating Contract (COCs) and Petroleum Service Contracts (SCs)*", to provide legal basis for existing COC and SC contractors to carry out the exploration and development of petroleum and coal resources in other frontier areas not covered and offered in any energy contracting round;

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to effectively carry out its plans and programs as mandated under PD 972, as amended, including its implementing rules and regulations;

WHEREAS, Section 6 of PD 972, as amended, otherwise known as "*The Coal Development Act of 1976*", allows the Government to promote and offer prospective coal areas for award through bidding or negotiation;

WHEREAS, the DOE desires to implement a simpler and faster public contracting program by nomination thru publication to facilitate the acceptance of applications for COC from interested applicants at any given time which is deemed to be more responsive if the development of the country's coal resources is to be intensified;

WHEREAS, the DOE intends to effectively administer, supervise and regulate the implementation of awarded COCs to ensure the sustainable development of the country's coal resources;

NOW, THEREFORE, in consideration of the aforementioned premises, the following policies and procedures in the selection, evaluation, awarding and administration of COCs are hereby adopted and promulgated for compliance by all concerned:

Section 1. Scope. This Circular shall govern the selection process in the awarding of COCs and the creation of the Review and Evaluation Committee (REC).

Section 2. Policies in the Conduct of Selection Process in Awarding COCs. The selection process in the awarding of COCs to qualified applicants shall be conducted in a transparent, open, competitive and expeditious manner.

Section 3. Various Modes in Awarding Coal Operating Contracts

3.1 Applicant/s Nomination and Publication of Area/s of Interest

Applicant/s for COC shall formally nominate the area/s of their interest for the REC consideration in accordance with the procedures set under Item I of Annex "A".

3.2 DOE Publication of Coal Areas Open for Application

The DOE thru the Review and Evaluation Committee (REC) may publish identified coal area/s not covered by any application for nomination for the purpose of inviting interested applicant/s to file application.

Section 4. Creation of the Review and Evaluation Committee (REC). The REC is hereby constituted to carry out the responsibilities set forth in this Circular and shall be composed of the following officials:

Chairperson - Undersecretary-in-charge of the Energy Resource Development Bureau

Vice Chairman - Assistant Secretary

Members
Director of the ERDB
Director of the Financial Services (FS)
Director of the Legal Services
Director of the Information Technology and Management Services (ITMS)

Section 5. REC Technical Working Group (TWG) and Secretariat. The REC TWG and Secretariat shall assist the REC in all activities related to Philippine Conventional Energy Contracting Program (PCECP) and in the coordination and administration, supervision and regulation of COCs, and shall be composed of the following:

Head	Assistant Director of the ERDB
TWG Members	<p>Chief, Coal and Nuclear Minerals Division (CNMD) Chief, Conventional Energy Resource Compliance Division (CERCD) Chief, Upstream Conventional Energy Legal Services Division (UCELSD) Chief, Information Services Division (ISD) Chief, Information and Data Management Division (IDMD)</p> <p>The DOE Luzon Field Office (LFO), DOE Visayas Field Office (VFO) and DOE Mindanao Field Office (MFO) shall assist the TWG in the performance of its functions in their respective area/s of jurisdiction.</p>
Secretariat Members	Supervising Science Research Specialist and Staff CNMD Exploration and Geosciences Research Section and Development and Production Section

Section 6. Responsibilities of the REC

- 6.1 Accept, evaluate and approve or reject the application for nomination of area/s of interest for publication;
- 6.2 Examine, evaluate, and review the legal, technical, and financial capabilities of the applicant/s and their application/s as provided for in PD 972, and existing laws, rules, and regulations;
- 6.3 Recommend to the Secretary the award and issuance of COC in favor of the highest-ranked applicant for multiple applications, or legally, technically, and financially qualified in case of sole applicant;
- 6.4 Address any questions and inquiries that may be raised by the Secretary in connection with the COCs endorsed for award and issuance;
- 6.5 Resolve issues in relation to the legal, technical and financial capabilities of applicants, including motions for reconsideration;
- 6.6 Cause the publication of coal area/s open for COC applications under Section 3.2 of this Circular;
- 6.7 Institute and implement a system of coordination and administration, supervision and regulation during the implementation and operation of the COCs such as, but not limited to, the following:
 - a) Extension, amendment, cancellation / termination and relinquishment of COCs;
 - b) Transfer and assignment of COCs;
 - c) Disposal of assets; and,

- d) Recommend allocation and utilization of all assistance funds generated from the awarded COCs in accordance with the existing rules and regulations.

- 6.8 Other functions of REC that the Secretary may delegate and additional tasks that may be deemed necessary to carry out its responsibilities and objectives.

Section 7. Qualifications of COC Applicant. Applicant must be a corporation or partnership with at least sixty percent (60%) of its capitalization is owned by Filipinos duly registered with the Securities and Exchange Commission (SEC), or cooperative, organized or authorized for the purpose of engaging in coal exploration and development.

In relation thereto, the applicant shall comply with Section 2-A of Commonwealth Act (CA) No. 108 or the "Anti-Dummy Law" and Foreign Investment Act.

Section 8. Evaluation, Selection and Awarding Procedures for the Various Modes of Selection Process. The evaluation, selection and awarding procedures for the various modes of selection process in awarding COCs shall be provided for under Annex "A" of this Circular entitled "*Guidelines for Philippine Conventional Energy Contracting Program (PCECP) for Coal Operating Contract Application*".

Section 9. Criteria for Selecting the Highest Ranked Applicant. A COC applicant under any of the modes mentioned in Section 3 of this Circular shall submit complete documents as provided for under Annex "A" pertaining to the following selection criteria, to wit:

- i. Legal qualification
- ii. Work Program
- iii. Technical qualification
- iv. Financial qualification

In case of two or more applicants over the same area, the highest ranked applicant who meets the legal, technical and financial requirements shall be selected.

Section 10. Motions for Reconsideration and Appeals. The REC and/or the Secretary, for sufficient and valid cause, may at any given time reject any or all application/s submitted. Any motion for reconsideration or appeal from the decision of the REC and/or the Secretary shall comply with applicable provisions of Department Circular No. DC2002-07-004 or the "Rules of Practice and Procedure before the Department of Energy".

Section 11. Separability Clause. If for any reason, any section or provision of this Circular and its Guidelines is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 12. Repealing Clause. Department Circular No. DC2014-02-0005 and the Department Order No. DO2014-08-0017 and provisions of all other DOE issuances that are inconsistent with the provisions of this Circular are hereby repealed.

Section 13. Effectivity. This Circular shall take into effect *fifteen (15) days* following its publication in at least two (2) broadsheet of general circulation and shall remain in effect until otherwise revoked.

Issued this ___ of September, 2017 in Bonifacio Global City, Taguig City, Metro Manila. **SEP 13 2017**


ALFONSO G. CUSI
Secretary



Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING PLS. CITE:

DOE-AGC-17004243



PUBLICATION: The Manila Times
The Philippine Star
06 October 2017

ACKNOWLEDGEMENT: U.P. LAW CENTER
12 October 2017

Republic of the Philippines
DEPARTMENT OF ENERGY
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Metro Manila

**GUIDELINES ON PHILIPPINE CONVENTIONAL ENERGY
CONTRACTING PROGRAM (PCECP) FOR COAL
OPERATING CONTRACT (COC) APPLICATION**

I. Procedures for Nomination and Publication

- A. Applicant/s for COC shall formally nominate through written communication the area/s of their interest addressed to the Review and Evaluation Committee (REC) for consideration. Before the nomination is accepted for publication, the following shall be submitted:
1. Technical Description of the nominated area/s as verified by the DOE-Information Technology and Management Services (DOE-ITMS);
 2. Area Clearance of nominated area/s from the DOE-ITMS;
 3. Certification from the Department of Environment and Natural Resources (DENR) that the nominated area/s is/are not within Protected area/s; and,
 4. Certification from the Local Government Units (LGU) that the nominated area/s is/are not within a mining activity ban.
- B. The REC shall, within fifteen (15) working days from receipt of the nomination with complete documents, inform the nominating applicant through written notice on the approval / rejection for the publication on the existence of an application for the nominated area/s for public contracting program.
- C. The nominating applicant, in coordination with the REC, shall, at its own expense, cause the publication on the existence of an application for the nominated area/s with an invitation for challenge in two (2) broadsheet of general circulation within fifteen (15) calendar days upon receipt of the written notice, otherwise, the applicant's nomination shall be nullified and the area will be open for new nomination.

The nominating applicant shall submit a proof of publication including copies of Official Receipt (OR) of payment within seven (7) calendar days from the date of publication.

The REC shall likewise post the existence of an application for the nominated area/s with an invitation for challenge in the DOE website from the publication date until the deadline for submission of documents.

D. The nominating applicant shall follow the template layout of the items for publication shown in Annex "B" which include, among others, the following:

1. Timeline for the contracting program by publication:

- i. Publication Date - Day 1
- ii. Pre-submission Conference – Day 1 plus twenty (20) calendar days, 0900H at the DOE AVR
- iii. Deadline for the Submission of documents by Applicants – Day 1 plus sixty (60) calendar days (*2 months*) on or before 1100H at the DOE Records Section
- iv. Opening of Documents – Day 1 plus sixty (60) calendar days (*same day as Deadline of Submission of Documents*) 1300H at the DOE AVR

2. Location Map and Technical Description of the area/s:

a. Area/s to be nominated shall conform to existing coal blocking system:

Maximum area for nomination = 15 coal blocks per coal region
(1 coal block = 2 minutes of latitude by 1 ½ minutes of longitude with an area of approximately 1,000 hectares)

b. Technical Description as certified by DOE-ITMS

3. Other information that the REC deems appropriate.

II. Procedures for Submission of COC Application/s

A. Applicant/s shall submit three (3) complete sets of legal, technical, and financial documents in accordance with Item III of this Annex for evaluation by the REC.

Each application shall cover only one predefined area of interest with corresponding number of coal blocks as nominated and published.

Only Exploration Work Program in the application for Coal Operating Contract (COC) that conforms to the Work Program Documentation, as required under Item III.B of this Guidelines, shall be accepted.

B. Submitted application must be in both paper and digital (USB Drive in Microsoft Word or *.pdf format) copies. Times New Roman 12 font and

single line spacing are recommended. Figures shall be submitted in an appropriate format, no smaller than A3 size. For legibility, figures and maps shall be submitted at a larger scale (1:10,000) as appendices.

- C. A non-refundable application fee of Php 200,000.00 per area shall be paid by the applicant upon submission of the application and its supporting documents. Payment may be made in cash, manager/company cheque payable to "Department of Energy" or wire/bank transfer. All wire/bank transfer should be net of all applicable bank and financial charges.
- D. Both the original paper copy and the digital copy of the application shall be addressed to:

The Chair
PCECP Review and Evaluation
Committee Department of Energy
Energy Center, Rizal Drive corner 34th Street
Bonifacio Global City
Taguig City, Metro Manila,
1632 Philippines

The application may be sent by courier, registered mail, or hand delivered and must be stamped received by the DOE Records Division not later than 1100H of the deadline for submission of documents as prescribed in Item I.D.1.ii of this Annex and the REC shall open the submitted applications at 1300H on the same day.

III. Documentation Requirements

The following documentation requirements shall be included in the application:

A. Legal Documentation

1. Duly filled-out covering information sheet showing a brief summary of the application, e.g.

COVERING INFORMATION SHEET

Company Name		
Telephone No.:	Fax No.:	Mobile Phone No.:
Email Address:	Website:	

Address of Applicant:

Area Applied for:

Proposed Signature Bonus:

Proposed Training Assistance:

Proposed Development Assistance Fund:

It is certified that the foregoing information are true and correct. It is understood that any omission or misrepresentation of the required information shall be sufficient cause for the rejection of this application.

Authorized Representative Name and Signature

2. Certified true copies of the Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation and By-Laws. The corporate purpose of the applicant shall include the exploration, development and utilization of coal resources;
3. Certified true copy of the General Information Sheet (GIS) stamped received by the Securities and Exchange Commission (SEC) not more than twelve (12) months old at the time of filing of application;
4. Original Copy of the Certificate of Authority from the Board of Directors of the applicant authorizing a designated representative/s to apply, negotiate, sign any documents, and execute the COC. The said Certificate of Authority shall be executed under oath by the Corporate Secretary; and,
5. In case the applicant is a partnership or cooperative, it shall submit the legal documents as specified in A.2 to A.4 above, or its equivalent, issued or authenticated by the appropriate governing authorities.

B. Work Program Documentation

1. Geological Report (Narrative presentation of available data such as geology, coal quality, resource estimate, if available etc, indicating presence of coal resources at depth);
2. Proposed Exploration Work Program (Narrative discussion of the different exploration strategies and methodologies to be employed in delineating coal resources at depth with subsequent manpower complement and projected expenditures on annual basis for each activity with respect to the area or areas specified in the proposal);
3. The work equivalents as provided for in Chapter Four (4) Section III of BED Circular 81-11-10 or "Guidelines for Coal Operations in the Philippines" shall be applied equivalent to 9,000 feet or 2,743 meters drillhole-equivalent per coal block annually.

4. Schedule of Works and Manpower Requirements in Gantt Chart; and,
5. Projected Exploration Expenditures.

C. Technical Documentation

1. Particulars of technical and industrial resources available to the applicant for the exploration of coal resources;
2. Particulars on the technical and industrial qualifications, eligibilities and work related experiences of the applicant and its employees;
3. Particulars on the experiences, achievements and track records of the applicant and its employees related to technical and industrial undertakings; and,
4. Particulars on organizational and management structures relative to administration, financial and technical aspects of the applicant.

D. Financial Documentation

1. For corporations existing for more than two (2) years at the time of filing of application:
 - a. Original Copy of the Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and Original Copy of the latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing;
 - b. Original Copy of the Bank Certification to substantiate the cash balance as of the latest unaudited FS;
 - c. Original Copy of the Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular offered area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable; and,
 - d. A certified true copy of the latest income tax return filed with the Bureau of Internal Revenue, and duly validated with the tax payments made thereon.
2. For newly-organized corporations existing for less than two (2) years at the time of filing of application:

- a. Original Copy of the Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer;
 - b. Original Copy of the Bank Certification to substantiate the cash balance as of the latest unaudited FS; and
 - c. Original Copy of the Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular offered area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable.
3. For Parent Company that guarantees for corporations with insufficient working capital. Financial guarantees of foreign companies to their subsidiaries that are shareholders of the applicant shall be limited to their equity participation in the allowable maximum forty percent (40%) foreign capitalization.
- a. Original Copy of the Parent Company's financial documents per D.1.a and D.1.b;
 - b. Original Copy of duly notarized Letter of Undertaking/ Support from the Parent Company to fund the Work Program; and,
 - c. General Information Sheet (GIS) of the shareholders of the applicant availing of the Parent Company fund guarantee.
4. Minimum working capital requirement (Liquid Assets less Current Liabilities) is 150% of the financial commitment for the first contract year of the proposed work program and budget as provided for in Chapter One (1) Section III item A.1.a of BED Circular 81-11-10 or "Guidelines for Coal Operations in the Philippines". Liquid Assets shall consist only of cash, trade accounts receivables and short term investments/placements. Credit line is not a Liquid Asset.
5. The applicant shall have available working capital for each PCECP application separate from other applied PCECP areas, renewable energy service contract applications and existing energy service/operating contracts.

IV. Evaluation, Selection and Awarding Procedures for the Various Modes of Selection Process

- A. After the opening of application documents as stipulated under Item I.D.1.iii of this Annex, REC will convene and shall conduct evaluation of the submitted applications based on the following criteria:

i.	Legal qualification -	Pass or Fail
ii.	Work Program -	40%
iii.	Technical qualification -	20%
iv.	Financial qualification -	40%

- B. The highest ranked applicant who meets the legal, technical and financial requirements shall be selected.

In case the nominating applicant loses to a challenger, the winning applicant shall reimburse in cash or Manager's cheque the nominating applicant of its publication expenses and application fee within seven (7) calendar days from receipt of notice of award of COC. Failure of the winning applicant to reimburse said expenses within said period shall automatically nullify the award of COC and the second highest-ranked applicant shall be issued the notice of award of COC subject to the same conditions.

If the losing nominating applicant refuses to accept the reimbursement of expenses, the winning applicant shall open an escrow account in a government banking institution in favor of the losing nominating applicant. The winning applicant shall submit proof of the escrow account or payment of reimbursement of expenses to the REC.

- C. An applicant that submitted incomplete or defective documents shall only be allowed to complete or correct the same if no other proposal was received during the selection process. If there are two or more proposals, no further submission or substitution of lacking or defective documents from any applicant, including the nominating applicant, shall be allowed.

The period within which a sole applicant shall be allowed to submit or replace the lacking or defective documents shall be at the discretion of the REC but not to exceed thirty (30) calendar days from the opening of the application/s.

- D. Failure of the sole applicant to submit or correct lacking or defective documents within the period given by the REC shall result in the automatic disqualification of the application.

In the case of two or more applicants over the same coal area, any lacking or defective documents submitted by the applicants shall result to the automatic disqualification of the application.

- E. After complete review and evaluation of the legal, technical, and financial qualifications of the applicant/s and the production of the execution copy of the COC, the REC shall transmit to the Secretary a written endorsement of the winning applicant.

- F. Based on the written endorsement of the REC, the Secretary may approve the application for COC. The Secretary may convene the REC

for any questions or inquiries pertaining to the review and evaluation undertaken.

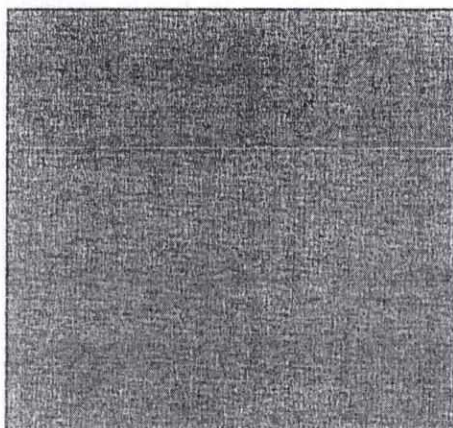
- G. Within seven (7) calendar days from receipt of notice of award, the winning applicant shall pay a processing fee of Thirty Thousand Pesos (Php 30,000.00)/coal block based on the DOE's schedule of fees and charges pursuant to DOF-DBM-NEDA Joint Circular No. 1-2013 dated 30 January 2013.
- H. The REC TWG and Secretariat shall prepare the final COC using the Model Contract and its Accounting Procedures. No deviation from the Model Contract and its Accounting Procedures shall be allowed.
- I. The DOE will award one COC for each Nominated Area. A company shall be entitled to not more than fifteen (15) coal blocks, including existing COCs, in any one coal region pursuant to Section 6 of PD 972, as amended.

----Nothing Follows----

Republic of the Philippines
DEPARTMENT OF ENERGY
 Energy Center, Rizal Drive, Bonifacio Global City
 Taguig City, Metro Manilla

NOTICE OF APPLICATION FOR COAL OPERATING CONTRACT (COC)
Under the Philippine Conventional Energy Contracting Program (PCECP)

This is to inform the public that _____ is applying for ____ Coal Blocks located in _____ as seen in the map below and is bounded by the following Technical Descriptions:



BLOCK	COORDINATES	
	LATITUDE	LONGITUDE

INVITATION FOR CHALLENGE

Interested applicants may challenge the application of _____ by submitting their application over the same area in accordance with and subject to the following prescribed timeline and procedures:

- A. Timeline**
- i. Pre-submission Conference – Twenty (20) calendar days from this date, 0900H at the DOE AVR.
 - ii. Deadline for the Submission of documents by Applicants – Sixty (60) calendar days (2 months) from this date on or before 1100H at the DOE Records Section.
 - iii. Opening of Documents – Sixty (60) calendar days (2 months) from this date at 1300H at the DOE AVR.

B. Procedures for Filing of Application:

1. Applicant shall submit three (3) complete sets of legal, technical, and financial documents for evaluation by the Review and Evaluation Committee (REC).

Each application shall cover only one predefined area of interest with corresponding number of coal blocks as nominated and published.

Only exploration Work Program in the application for COC that conforms to the Work Program Documentation, as required under Item III.B of the Guidelines, shall be accepted.

2. Submitted application must be in both paper and digital (USB Drive in Microsoft Word or *.pdf format) copies. Times New Roman 12 font and single line spacing are recommended. Figures shall be submitted in an appropriate format, no smaller than A3 size. For legibility, figures and maps shall be submitted at a larger scale (1:10,000) as appendices.

3. A non-refundable application fee of Php 200,000.00 per area shall be paid by the applicant upon submission of the application and its supporting documents. Payment may be made in cash, manager/company cheque payable to Department of Energy or wire/bank transfer. All wire/bank transfer should be net of all applicable bank and financial charges.

4. Both the original paper copy and the digital copy of the application shall be addressed to:

The Chair
PCECP Review and Evaluation Committee
Department of Energy
Energy Center, Rizal Drive, Bonifacio Global City
Taguig City, Metro Manila, 1632 Philippines

5. The application may be sent by courier, registered mail, or hand delivered and must be stamped received by the DOE Records Division not later than 1100H of the deadline for submission of documents and the REC shall open the submitted applications at 1300H on the same day.

C. Selection Process

The selection process shall follow the provisions of Department Circular No. DC2017-__-__ dated _____, and its Annexes, a copy of which can be obtained from the REC Secretariat, ERDB, DOE.

For more information on the matter, interested Applicants may visit the DOE Website with the link _____ or write a letter to The Chair, Review and Evaluation Committee or call (02) 8402254.

Republic of the Philippines
DEPARTMENT OF ENERGY
 Energy Center, Rizal Drive corner 34th Street
 Bonifacio Global City, Taguig City
 Metro Manila

**PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM (PCECP)
 FOR COAL OPERATING CONTRACT (COC) APPLICATION**

APPLICATION CHECKLIST – LEGAL

I. LEGAL	DOCUMENT FORMAT
<input type="checkbox"/> 1) Duly filled-out covering information sheet (DOE Format).	<i>Original</i>
<input type="checkbox"/> 2) SEC Certificate of Registration or Incorporation.	<i>Certified True Copy</i>
<input type="checkbox"/> 3) SEC Articles of Incorporation and By-Laws (The corporate purpose of the applicant shall include the exploration and development of coal resources).	<i>Certified True Copy</i>
<input type="checkbox"/> 4) General Information Sheet (GIS) stamped-received by the SEC and not more than 12 months old at the time of filing of application.	<i>Certified True Copy</i>
<input type="checkbox"/> 5) Certificate of Authority from the Board of Directors of the applicant authorizing designated representative/s to apply, negotiate, sign any document and execute the Coal Operating Contract. The said Certificate of Authority shall be executed under oath by the Corporate Secretary.	<i>Original</i>
<input type="checkbox"/> 6) For partnership or cooperative, applicants shall submit equivalent legal documents as specified in item nos. 2 – 5 above, issued or authenticated by the appropriate governing authorities.	<i>Original</i>
<input type="checkbox"/> 7) Proof of payment for processing / application fee (DOE Official Receipt)	<i>Original</i>

NOTE: *Payment Order / Remittance Slip to be secured from the Office of the Director, ERDB before payment to the Treasury Division*

Coal = Php 200,000.00

APPLICATION CHECKLIST – TECHNICAL

II. TECHNICAL

DOCUMENT FORMAT

1) Work program

- | | | |
|--------------------------|---|---------------------------------|
| <input type="checkbox"/> | a) Geological Report (Narrative presentation of the following available data such as geology, coal quality, resource estimate, if available, indicating presence of coal resources at depth). | <i>Digital and printed copy</i> |
| <input type="checkbox"/> | b) Proposed Exploration Work Program (Narrative discussion of the different exploration strategies and methodologies to be employed in delineating coal resources at depth with subsequent manpower complement and projected expenditures on annual basis for each activity with respect to the area or areas specified in the proposal). | <i>Digital and printed copy</i> |
| <input type="checkbox"/> | c) Schedule of works and manpower requirements in Gantt Chart. | <i>Digital and printed copy</i> |
| <input type="checkbox"/> | d) Projected exploration expenditures. | <i>Digital and printed copy</i> |

2) Technical documentation

- | | | |
|--------------------------|---|---------------------------------|
| <input type="checkbox"/> | a) Technical and industrial resources available to the applicant for the exploration of coal resources. | <i>Digital and printed copy</i> |
| <input type="checkbox"/> | b) Technical and industrial qualifications, eligibilities and work-related experiences, achievements and track records of the applicant and its employees related to technical and industrial undertakings. | <i>Original</i> |
| <input type="checkbox"/> | c) Operational organization and management structures relative to administration, financial and technical aspects of the applicant. | <i>Original</i> |

APPLICATION CHECKLIST – FINANCIAL

III. FINANCIAL

DOCUMENT
FORMAT

1) For corporations existing for more than 2 years at the time of filing:

- | | | |
|--------------------------|---|----------------------------|
| <input type="checkbox"/> | a) Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing. | <i>Original</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. | <i>Original</i> |
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular offered area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable. | <i>Original</i> |
| | - Sales Agreement/Purchase Order of buyer for projected revenue on existing operations | <i>Certified True Copy</i> |
| | - Sworn Letter of Commitment from stockholders for additional equity/cash infusion | <i>Original</i> |
| | - Bank approved loan/credit line earmarked for the proposed operations | <i>Original</i> |
| <input type="checkbox"/> | d) Latest income tax return filed with the Bureau of Internal Revenue, and duly validated with the tax payments made thereon. | <i>Certified True Copy</i> |

2) For newly-organized corporations (existing for two (2) years or less at the time of filing)

- | | | |
|--------------------------|---|-----------------|
| <input type="checkbox"/> | a) Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer. | <i>Original</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. | <i>Original</i> |
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular offered area, other applied areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable. | <i>Original</i> |

- Sales Agreement/Purchase Order of buyer for projected revenue on existing operations *Certified True Copy*
- Sworn Letter of Commitment from stockholders for additional equity/cash infusion *Original*
- Bank approved loan/credit line earmarked for the proposed operations *Original*

3) For Parent Company's guarantee for corporations with insufficient working capital:

- a) Parent Company's financial documents per Coal Application Checklist Items III.1.a and III.1.b. *Original*
- b) Duly notarized Letter of Undertaking/ Support from the Parent Company to fund the Work Program. *Original*
- c) General Information Sheet (GIS) of the shareholder availing of the Parent Company fund guarantee. *Certified True Copy*

NOTE:

- Minimum working capital requirement (Liquid Assets less Current Liabilities) is 150% of the financial commitment for the first contract year of the proposed work program and budget as provided for in Chapter One (1) Section III item A.1.a of BED Circular 81-11-10 or "Guidelines for Coal Operations in the Philippines". Liquid Assets shall consist only of cash, trade accounts receivables and short term investments/placements. Credit line is not a Liquid Asset.
- The applicant shall have available working capital for each PCECP application separate from other applied PCECP areas, renewable energy service contract applications and existing energy service/operating contracts.