

# 2019 ACCOMPLISHMENT REPORT

## *DOE Inputs to the President's 2020 SONA (Press Release)*

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President Rodrigo R. Duterte in his 2019 State of the Nation Address (SONA) highlighted the need to fast-track the development of renewable energy (RE) resources as well as reduce dependence on fossil-based resources such as coal.



In response to the President's statement, the energy sector's agenda for 2020 continue to put emphasis on further strengthening the development of renewable based resources to meet energy security goals and move towards sustainability. The energy sector has also taken a leap in shifting the perspective on renewables, from grid-centered driven approach to a more consumer-centered use.

### *Promoting a Clean and Green Energy Future*

- The DOE aggressively pursued the development of renewable energy (RE) for energy supply security in the long-term within the technology neutral policy. The policy required the promotion of the welfare of the consumers through the encouragement of the competition in the development and utilization of fossil-based and renewable energy resources. The aim of promoting more indigenous RE resources prompted the DOE to promulgate the following policies:

- Renewable Portfolio Standard (RPS)

As one of the policy mechanisms in the RE Act, the issuance of the RPS through DC 2018-08-0024 (RPS for Off-grid Areas, promulgated on 14 September 2018) and DC 2017-12-0015 (RPS for On-grid Areas, promulgated on 30 December 2017) mandated electricity power industry participants to source or produce a specified portion of their electricity requirements from eligible RE resources.

- Green Energy Auction Program (GEAP)

The GEAP is a recent policy issued through DC 2020-07-0017. It sets the framework for which the DOE shall facilitate the procurement of supply from RE projects by the mandated participants under the RPS on-grid rules through a competitive process for their compliance with the RPS program and as applicable for their long-term power supply requirements.

- Renewable Energy Market Rules

The promulgation of the Renewable Energy Market (REM) Rules (Department Circular 2019-12-0016) on 04 December 2019 was a significant milestone in the RE sector. This establishes the market for the trading of RE Certificates (RECs) between and among trading participants. This will be made possible through the country's REM System (launched in December 2019), which is the online platform where trading participants can manage their RE accounts.

- Green Energy Option (GEOP)

Department Circular 2018-07-0019 issued on 7 August 2018 set the rules and procedures for proper guidance on end-users, RE suppliers and network service providers (NSP), in facilitating the option taken by the end-users to choose RE resources as sources of their energy.

- Other upcoming issuances to strengthen RE development include: (a) Renewable Energy Safety, Health and Environment Rules and Regulations (RESHERR) Code of Practice; (b) Operational Guidelines for the RE Trust Fund; (c) National Renewable Energy Program (NREP) 2020-2040; (d) Guidelines for RE Suppliers under Green Energy Option Program (GEOP); (e) Enhanced Net Metering; (f) Green Energy Pricing; and, (g) Updated Guidelines on the Duty-Free Importation and Monitoring of the Utilization of RE Machineries, Equipment, Materials and Spare Parts.

In the ASEAN Region, the Philippines continues to have the highest share of renewable energy in the total primary energy supply (TPES) with RE accounting for 32.8 percent<sup>1</sup> of the country's energy supply mix in 2019. This gives the Philippines an advantage vis-à-vis the target set in the ASEAN Plan of Action on Energy Cooperation (APAEC) 2016-2020 which seeks *to increase the component of renewable energy to 23% by 2025 in the ASEAN Energy Mix*.

- President Rodrigo R. Duterte together with Secretary Alfonso G. Cusi graced the inauguration of several RE projects indicating that government is serious in banking on renewable energy development.
  - *Solar Philippines Factory*, annual production capacity of 2.5 million panels equivalent to 800 MW, aims to provide greater access and affordable solar panels to Filipinos.
  - *Tumingad Solar Power Project*, the country's first and largest solar hybrid solar diesel microgrid with 7.5 MW peak (MWp) capacity, will support daytime power requirements of 43,000 households in Tablas Island.
  - *Siguil Hydropower Project*, a 15.1-MW run-of-river hydroelectric power plant, aims to provide additional power to 330,000 households in General Santos

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<sup>1</sup>TPES as of 23 June 2020

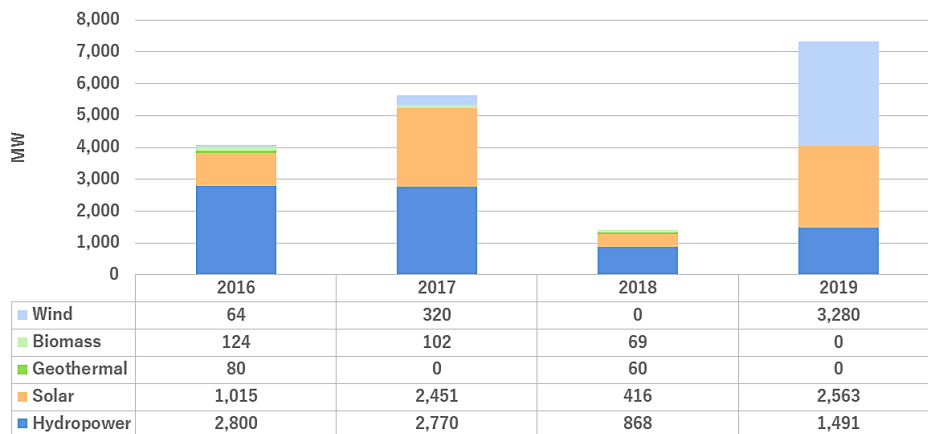
City and Sarangani Province in 2022 and serve part of the increasing energy demand in Mindanao. It is expected to commence operation in 2022.

- The Floating Solar Project of SN Aboitiz Power was launched in July 2019, which features a 200-kW floating solar panel at the Magat Dam Reservoir.
- A total of 497 RE Service Contracts (RESCs) were awarded from 2016 to 2019. In 2019 alone, 155 RESCs were granted with an aggregate potential capacity of 7,333 MW. Bulk of this capacity came from wind at 44.7 percent share (*Table 1 and Figure 1*).

**Table 1. Awarded RESCs, 2016 – 2019**

RE TECHNOLOGY	2016	2017	2018	2019
Hydropower	64	51	29	52
Solar	42	64	35	78
Geothermal	2	1	2	2
Biomass	9	11	10	6
Wind	6	12	4	17
<b>TOTAL</b>	<b>123</b>	<b>139</b>	<b>80</b>	<b>155</b>

**Figure 1. Potential Capacity from Awarded RESCs, 2016 – 2019**



- The DOE is currently prioritizing the issuance of the NREP 2020-2040 to achieve the envisioned target of at least 20,000 MW of RE installations by 2040. It introduces the paradigm shift by promoting RE systems in three (3) main baskets:

### 1) Consumer + RE Systems

This will encourage the development of RE Systems to be utilized by the consumers in the agriculture and fisheries, health, and education sectors. This basket aims to maximize the integration of battery, as well as other energy storage systems and information communication technology.

### 2) Consumer + RE Systems + Distribution Utility

This aims to promote the investment in the Net Metering Program, other Demand-side Participation schemes and distributed energy systems.

### **3) Consumer + RE Systems + Distribution Utility + System and Market Operations**

This aims to facilitate and improve the compliance to the Renewable Portfolio Standard, Green Energy Auction Program, Renewable Energy Rules, Green Energy Option, and the Smart Grid Policy, among the other systems and policies.

#### **Embracing Energy Efficiency as a Way of Life**

- After President Duterte promulgated into law the *Energy Efficiency and Conservation Act (RA 11285)* on 12 April 2019, Secretary Cusi signed the Implementing Rules and Regulations (IRR) on 22 November 2019, which took effect on 21 December 2019. The DOE is the lead agency to implement the law with the support and participation of other national government agencies such as BOI, COA, CHED, DBM, DOF, NEDA, TESDA, among others.

The Government Energy Management Program (GEMP), a major provision of the Law, will help reduce government's monthly consumption of electricity and petroleum products through energy efficiency and conservation measures. For 2019, total energy savings under this program reached 5,112,201.44 kWh of electricity, equivalent to about Php 149.5 million.

- Secretary Cusi issued the Department Order 2020-01-0001 on 20 January 2020 creating the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC) composed of the DOE Secretary as Chairperson and the Secretaries of DBM, DTI, DOTr, DOST, DILG, DPWH and NEDA as committee members.
- Specific energy efficiency and conservation (EEC) policies have been drafted and are now subject for comments of the energy stakeholders and public:
  - Department Circular on Minimum Energy Performance for Products (MEPP) of refrigerators, air-conditioners, lighting products, including linear and non-directional LED lamps as covered by Philippine Energy Labeling Program (PELP) for compliance of importers, manufacturers, distribution and dealers of electric appliances and other energy consuming products;
  - Department Circular on Guidelines of the PELP for Compliance of Importers, Manufacturers, Distributors and Dealers of Electric Appliances and other Energy-Consuming Products;
  - Particular Product Requirements (PPRs) for refrigerators, air-conditioners, lighting products and television;
  - Implementing Guidelines of the PELP for Energy-Consuming Products; and,
  - Memorandum of Agreement (MOA) between the DOE and the Technical Education and Skills Development Authority (TESDA) on the Certified

## Energy Conservation Officers (CECO) Training Regulation Development.

- A number of policies are programmed to be crafted in 2020 to support the implementation of RA 11285:
  - Department Circulars on ESCO Accreditation/Certification, Demand Side Management, and submission of periodic reports on energy consumption and EE&C plans and programs;
  - Implementing Guidelines on building conservation, EE&C Recognition Awards, fuel efficiency testing, monitoring compliance to Energy Labeling and Fuel Economy Performance; and,
  - Codes and guidelines as required under Sec. 36 of the EE&C Act.

### Pushing the Development of Alternative Fuels

- On *alternative fuels for the transport sector*, the DOE, through a Deed of Donation for the E-Trike Project, turned over 3,000 electric tricycle units to various LGUs (i.e. cities of Mandaluyong, Pasig and Las Piñas) and national government agencies (DOST, DOT). And to further promote alternative fuels, MOAs have been entered into with the following:
  - a) DOST-PCIERRD on the prototyping of Solar-Assisted Plug-in Electric Motor-Powered Boat; and
  - b) Cavite State University on the development of a TESDA-aligned Electric Vehicle Technician Course Module with a National Certification Level II, Performance Testing of the donated Next Generation Vehicles and prototyping of equipment to harness energy from human kinetics.

Several IECs were also conducted to improve public knowledge on alternative fuels for the transport sector. These activities include the conduct of the Promotional Run of Advanced Energy Technology Vehicles (which exhibited the advantages of alternative fuel vehicles for various transport applications) and the launching of the Energy Innovation Challenge (which stimulated the technical prowess of the academe in coming up with deriving innovative solutions to real-life energy concerns).

### Increasing Energy Access for All

- The DOE continues to empower the Filipino households through its Total Electrification Program (TEP) and its vision of a 100.0 percent household electrification by the end of President Duterte's Administration. This is part of the DOE's socially responsive program to spread the benefits of economic growth to stakeholders at the grassroots level.
- The TEP covers both on-grid and off-grid electrification efforts under the following strategies: (a) provision of house-wiring subsidy for unenergized household situated in areas with distribution facilities under the DOE's

Nationwide Intensification of Household Electrification (NIHE); and, (b) extension of distribution line facilities to unserved areas under the National Electrification Administration’s (NEA) Sitio Electrification Program (SEP), and the Barangay Line Enhancement Program (BLEP). On the other hand, off-grid electrification program includes the following strategies: (a) distribution utilities’ installation of individual Photovoltaic Solar Home System (PV-SHS) under the DOE and the European Union-Access to Sustainable Energy Programme’s (ASEP) PV Mainstreaming program; and, (b) the implementation of Mini/Micro-Grid System through potential entry of private sector as Qualified Third Party (QTP) Scheme, Joint Venture Agreement (JVA) under the Private Sector Participation (PSP), and the entry of the National Power Corporation-Small Power Utilities Group (NPC-SPUG) Mini-Grid Scheme.

- As electrification remains at the forefront of the energy sector agenda, a total of 23.23 million households (as of December 2019) are now reaping the benefits of electricity access. This translates to a national household electrification level of 92.96%<sup>2</sup>. This leaves about 1.61 Million<sup>3</sup> households without electricity access.
- On a per grid basis, the electrification levels are as follows – Luzon (97.78%), Visayas (93.88%) and Mindanao (79.99%). The milestones in the government’s electrification efforts are summarized in [Table 2](#).

**Table 2. Household Electrification Level (2015 - 2019), Philippines**

	2015	2016	2017	2018	2019**
<b>Total Potential Households (HH)</b>	22,310,082	22,721,430	22,984,971	22,984,971	22,984,971
<b>Served HH</b>	19,994,430	20,597,320	20,936,499	22,093,782	23,229,866
<b>Unserved HH</b>	2,315,652	2,124,110	2,048,472	891,189	1,618,264
<b>HH Electrification Level (%)</b>	89.62	90.65	91.09	96.12	92.96
<b>HH Provided with Electricity</b>		602,890	339,179	1,157,283	1,136,084

Notes:

\* The 2019 unserved HH reflected are actual unserved HH per DU in the country.

\*\* For the 2019 HH electrification level, a new formula for computing the HH electrification level was recommended to the Task Force E-Power Mo (TFEM), the oversight Task Force for the Government's Total Electrification Program (TEP).

% HH Electrification = (potential HH – unserved HH)/potential HH

\*\*\* From 2017 onwards, it was directed by the Task Force E-Power Mo (TFEM) that the total potential households’ figure to be adopted for the Total Electrification Program (TEP) is 22,984,971. This is based on the 2015 Census of Population (POPCEN2015) of the Philippine Statistical Authority (PSA). The total potential households from the previous years are based on the 2010 Census.

- The National Electrification Administration (NEA), as the DOE’s implementing arm on rural electrification, has switched-on its 13-millionth electricity consumer in 2019. The beneficiary of this momentous achievement, Ms. Feliza Pangilan,

<sup>2</sup> The DOE, through the “Task Force E-Power Mo” adopted a new formula for computing HH electrification level. Formula: % HH Electrification Level = Potential HH - unserved HH) / potential HH

<sup>3</sup> For 2019, the total unserved HH reflected are the actual unserved HH per DU in the country.

is an elderly farmer and member of the B'laan Tribe from Sitio Kitbog, Malungon, Sarangani. The South Cotabato Electric Cooperative II (SOCOTECO II) assisted in the implementation of this project which was made possible under the PV Mainstreaming Program of the DOE and EU- ASEP.

- Supporting this effort, the energy sector has increased the number of power plants with 24-hour electricity service from 41 in July 2016 to 78 as of July 2020 through the NPC-SPUG.

### Fueling the Economy Through Energy Security

#### Power

- The country's power supply reached a total of 25,531 MW of installed capacity and 22,736 MW of dependable capacity in 2019.<sup>4</sup>
- Installed capacity grew by 19.0 percent (4,106 MW), from 21,425 MW in 2016 to 25,531 MW in 2019. On the other hand, dependable capacity increased from 19,097 MW in 2016 to 22,736MW in 2019. Renewable-based plants recorded a share of 29.0% (7,399 MW) in the country's total installed capacity in 2019 (Table 3 and Figure 2). Among the RE-based power plants, hydropower and geothermal had the largest shares at 15.8% (3,760 MW) and 8.1% (1,928 MW), respectively.
- Mindanao's power situation has substantially improved since 2016. Supply was further augmented with the inauguration of Phase 2 of the 105-MW coal fired power plant of Sarangani Energy Corporation (SEC) in November 2019. Combined with SEC Phase 1, which began operations in April 2016, both plants have an aggregate installed capacity of 237 MW and have benefitted more than 2.15 million households in Sarangani Province including the cities of Butuan, Cagayan de Oro, Dapitan, Digos, Dipolog, General Santos, Iligan, Kidapawan, Koronadal and Pagadian.

Other power plants that went on commercial operation in Mindanao in 2019 are GNPower Kauswagan Units 1 – 3 (450 MW), Asiga Hydroelectric Power Plant (8 MW), and Astroenergy Development Gensan, Inc.'s Solar Power Plant (25 MW).<sup>5</sup>

- For the period 2016 – 2019, about 440 MW of RE-based capacity was added in the country's total supply. Specifically, the period 2018 to 2019 recorded a growth in RE capacities by 173 MW added to the grid.

**Table 3. Installed Capacity (MW), 2016 - 2019**

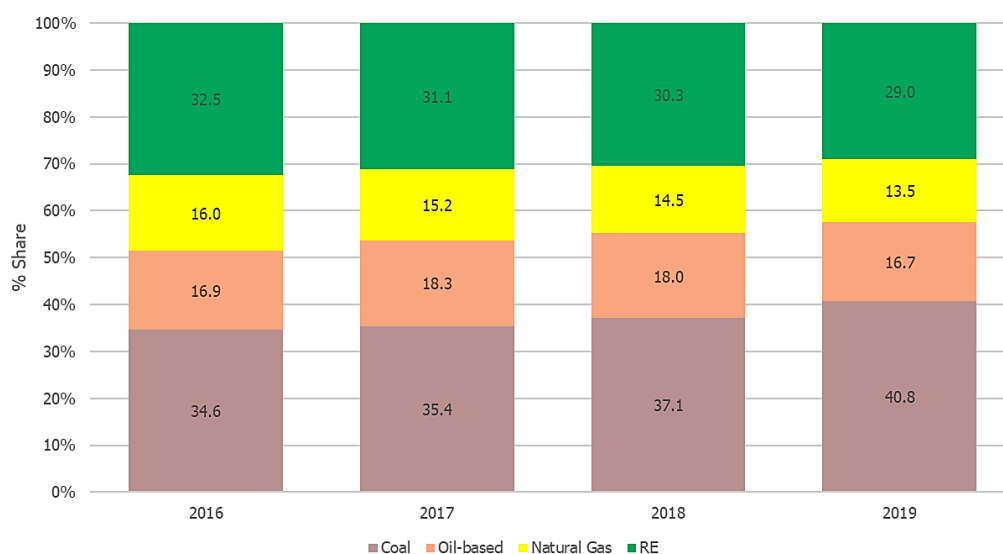
	2016	% Share	2017	% Share	2018	% Share	2019	% Share
<b>Coal</b>	<b>7,419</b>	<b>34.6</b>	<b>8,049</b>	<b>35.4</b>	<b>8,844</b>	<b>37.1</b>	<b>10,417</b>	<b>40.8</b>

<sup>4</sup> Source: 2019 DOE Power Statistics

<sup>5</sup> Reflected capacities are installed capacities

Oil-based	3,616	16.9	4,153	18.3	4,292	18.0	4,262	16.7
Natural Gas	3,431	16.0	3,447	15.2	3,453	14.5	3,453	13.5
RE	6,959	32.5	7,079	31.1	7,226	30.3	7,399	29.0
Geothermal	1,916	8.9	1,916	8.4	1,944	8.2	1,928	8.1
Hydropower	3,618	16.9	3,627	16.0	3,701	15.5	3,760	15.8
Biomass	233	1.1	224	1.0	258	1.1	363	1.5
Solar	765	3.6	885	3.9	896	3.8	921	3.9
Wind	427	2.0	427	1.9	427	1.8	427	1.8
<b>TOTAL</b>	<b>21,425</b>	<b>100.0</b>	<b>22,728</b>	<b>100.0</b>	<b>23,815</b>	<b>100.0</b>	<b>25,531</b>	<b>100.0</b>

Figure 2. Installed Power Generation Capacity Mix, 2016 - 2019



- For the period 2020 to 2022, the country expects new capacity additions of about 4,077 MW<sup>6</sup> (Tables 4 to 6). The committed capacity additions include coal (2,521 MW), oil (415 MW), natural gas (650 MW), biomass (252 MW); and solar (240 MW). The DOE also issued the Ancillary Services Policy (DC 2020-05-0011 published on 3 June 2020), Smart Grid Policy (DC 2020-02-0004 published 6 March 2020) and will conclude the Flexible Generation Study to strengthen the reliability of the system.

Table 4. Luzon Committed Power Projects (as of Dec 2019)

Plant Type	2020	2021	2022	TOTAL
Coal	1,936	300		2,236

<sup>6</sup> Source: DOE's List of Private Sector Initiated power Projects as of December 2019



Oil		300		300
Natural Gas		650		650
Biomass	53			53
Solar	100	115		215
<b>TOTAL</b>	<b>2,089</b>	<b>1,365</b>	<b>0</b>	<b>3,454</b>

**Table 5. Visayas Committed Power Projects (as of Dec 2019)**

Plant Type	2020	2021	2022	2023
Coal		135		135
Oil	115			115
Natural Gas				
Biomass	139	60		199
Solar				
<b>TOTAL</b>	<b>253</b>	<b>195</b>	<b>0</b>	<b>448</b>

**Table 6. Mindanao Committed Power Projects (as of Dec 2019)**

Plant Type	2020	2021	2022	2023
Coal	150			150
Oil				
Natural Gas				
Biomass				
Solar	25			25
<b>TOTAL</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>175</b>

- Although current power demand is being met, the DOE acknowledges the need to ensure additional capacities to address the growing electricity demand of the economy (*Table 7*). In line with this, the DOE and the Department of Interior and Local Government (DILG) issued Joint Memorandum Circular No. 2020-01 (published on 5 June 2020) to encourage the private sector to invest in the local power market during its regular conduct of energy investment fora and regional energy investment briefings.

**Table 7. Power Outlook 2020**

Baseload	20,777 MW
Midmerit	3300 MW
Peaking	2,699 MW
<b>TOTAL</b>	<b>26,776 MW</b>

*Source: Draft PEP 2018-2040 BAU Scenario*

- The country's peak demand increased to 15,581 MW in 2019, a 5.4 percent (799 MW) growth from 14,782 MW in 2018.

Facing the ongoing pandemic which started in the middle of March, demand was relatively low particularly in Luzon Grid. Luzon being placed under ECQ recorded its lowest peak demand at 6,879 MW (April 10), while the highest was 9,780 MW (May 29). Luzon's transition to General Community Quarantine (GCQ) on 01 June saw peak demand reaching 10,064 MW (first time the

demand breached the 10,000 MW level after the ECQ). Moreover, tightness in supply in Luzon was also experienced in the first week of June primarily because of unplanned/forced outages of some power plants and the restricted natural gas output from Malampaya.

- Wholesale Electricity Spot Market (WESM) was formally launched in Mindanao in June 2017 which signaled the start of the Trial Operations Program (TOP). It is seen as a medium for providing an efficient scheduling, dispatch and settlement of energy withdrawal and injections in the grid. It also serves as an avenue for distribution utilities (DUs) to procure additional uncontracted energy without the need for power supply agreements (PSA). The market also embodies competition and transparency for electricity consumers in Mindanao. Commercial operation is expected by December 2020 as the Independent Electricity Market Operator of the Philippines (IEMOP) continues to facilitate the registration of market participants.
- RA 11361 or the *Anti-Obstruction of Power Lines Act* was signed by the President on 08 August 2019 to ensure continuous conveyance of electricity from generating plants to end-users and protect the integrity, reliability of the country's transmission and distribution systems. And in February 2020, the IRR (Department Circular 2020-02-002) was issued and implemented in March 2020. The Law requires that power line corridors must be kept clear and free from any power line obstructions, dangerous structures, hazardous activities and improvements, and other similar circumstances.
- Department Circular 2019-08-00126 was issued on 18 September 2019 providing a framework for the use of Energy Storage System (ESS), which covers electricity generation, peak shaving, ancillary services and mitigating intermittent output of RE power plants. From September 2019 to February 2020, the DOE issued 58 ESS projects to the National Grid Corporation of the Philippines (NGCP) for clearance to undertake System Impact Study as a requirement for possible connection to the grid.

### **Downstream Oil**

- For the downstream oil sector, the country's inventory of crude oil and petroleum products stood at 51.0 days equivalent to 24,263 thousand barrels (MB) or 3,857 million liters in December 2019. The inventory level was consisted of 45.0 days of in-country stocks and 6.0 days of crude oil and petroleum products still in-transit.
- As of 13 July 2020, the country maintained 61.9 days inventory level of crude oil and petroleum products equivalent to 2,762 million liters, comprised of 54.4 days in-country stocks (on-shore) and 7.5 days of crude oil and petroleum products still in-transit.

### **Upstream Sector**






- In the upstream sector, the Philippine Conventional Energy Contracting Program (PCECP) aims to boost investment opportunities in oil and gas exploration activities and develop indigenous petroleum resources within the





undisputed Philippine sovereign territory. As of December 2019, a total of three (3) applications – two (2) from area nomination located in Northwest and Eastern Palawan and one (1) from pre-determined area located in Eastern Palawan with total investments of about USD 60 million – were recommended for approval/awarding by President Duterte.

### Laying the Path Towards Energy Resiliency

- The energy sector activated its Task Force on Energy Resiliency during calamities/disasters for quick response and rehabilitation. Specifically, the Task Force was called upon to address power supply disruptions brought about by Typhoons Tisoy and Ursula, as well as in the recent Taal Volcano eruption (Figure 3).

Figure 3. Task Force on Energy Resiliency (TFER)

	 INTERNATIONAL NAME	 POWER GENERATION	 TRANSMISSION	 DISTRIBUTION	 HOUSEHOLDS
<b>Typhoon Ompong</b> Landfall: Sept. 15, 2018 Area: Cagayan	Mangkhut	9 SPUGs affected	82 transmission lines	22 ECs affected (Php 296M damage cost)	2,363,504 households
<b>Typhoon Rosita</b> Landfall: Oct. 30, 2018 Area: North/Central Luzon	Yutu	10 SPUGs affected	53 transmission lines	36 ECs affected (Php 53.6M damage cost)	1,412,152 households
<b>Tropical Depression Samuel</b> Landfall: Nov. 21, 2018	-	14 SPUGs affected	2 transmission lines	4 ECs affected (Php 1.6M damage cost)	438,825 households
<b>Tropical Depression Usman</b> Landfall: Dec. 29, 2018	-	54 SPUGs affected	12 transmission lines	14 ECs affected (Php 3.5M damage cost)	1,013,978 households
<b>Tropical Depression Amang</b> Landfall: Jan. 19, 2019	-	All were under normal operations	5 transmission lines	All ECs were under normal operations	-
<b>Typhoon Tisoy</b> Landfall: Nov. 30, 2019 Area: Northern Samar	Kammuri	47 diesel plants affected	3 transmission lines; 19 toppled towers; 284 poles	27 ECs affected (Php 912 M damage cost)	2,547,751 households
<b>Typhoon Ursula</b> Landfall: Dec. 24, 2019 Area: Eastern Samar	Phanfone	SPUG power plants suspended operations	73 toppled/leaning poles	18 ECs affected (Php 579 M damage cost)	1,617,749 households
<b>Taal Volcano Eruption</b> Eruption: Jan. 12, 2020 Area: Batangas	-	3 power plants due to line constraint	11 transmission lines	2 ECs 1 DU (MERALCO)	175,154 (EC) 183,538 (DU)

Earthquake	 Power Generation	 Transmission	 Distribution	 Oil Supply
<b>Magnitude 6.1 Earthquake in Castillejos, Zambales</b> 5:11 PM, 22 April 2019	<ul style="list-style-type: none"> <li>Four (4) power plants went on unplanned / forced outage with total capacity of 780MW.</li> </ul>	<ul style="list-style-type: none"> <li>Eight (8) transmission lines were isolated.</li> </ul>	<ul style="list-style-type: none"> <li>One (1) private distribution and Fifteen (15) electric cooperatives were affected.</li> </ul>	<ul style="list-style-type: none"> <li>A price freeze for household liquefied petroleum gas (LPG) and kerosene products after the declaration of State of Calamity in Pampanga on 22 April 2019.</li> </ul>
<b>Magnitude 5.9 Earthquake in Itbayat (Batanes)</b> 4:16 AM, 27 July 2019	<ul style="list-style-type: none"> <li>Itbayat Diesel Power Plant went on automatic shutdown as of 4:20 AM. At 11:00 AM, Itbayat DPP was ready for operation and awaiting for signal to operate from BATANELCO.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Batanes Electric Cooperative (BATANELCO)</li> <li>Out of 885 original number of households, 113 households were totally damaged by the earthquake (113 number of households were deducted to the total number of households).</li> <li>Date/Time Off: 07/27/2019 @0350H</li> <li>Date Restored: 08/02/2019</li> </ul>	<ul style="list-style-type: none"> <li>Petron gasoline station in Basco, Batanes was under normal operation but advised to stop operations due to aftershocks.</li> <li>According to Petron station, no reported damages on fuel station in Basco, Batanes. Fuel supply was normal at 60 kiloliter (kl) per month.</li> </ul>
<b>Magnitude 6.5 Earthquake in Tulunan (Cotabato)</b> 09:11 AM, 31 October 2019 (See MAP 1)	<ul style="list-style-type: none"> <li>Mindanao Geothermal Power Plant (MGPP) and Mt. Apo's Geothermal Power Plant (MAGPP) Units 1 and 2 were affected.</li> </ul>	<ul style="list-style-type: none"> <li>The Mindanao transmission backbone remained intact. However, NGCP's Kidapawan substation suffered damages.</li> </ul>	<ul style="list-style-type: none"> <li>DASURECO (Davao del Sur) and COTELCO (North Cotabato) were affected.</li> </ul>	<ul style="list-style-type: none"> <li>Nine (9) gasoline stations in some parts of Cotabato and Digos have been temporarily closed due to minor damages and/or as a precautionary safety measure.</li> </ul>
<b>M=6.9 Earthquake in Davao Del Sur</b> 2:11 PM, 15 December 2019	<ul style="list-style-type: none"> <li>Five (5) power plants with total capacity of 309 MW went on unplanned / forced outage but were restored immediately.</li> </ul>	<ul style="list-style-type: none"> <li>Power transmission services of Mindanao remained normal despite the 6.9 magnitude earthquake.</li> <li>The Mindanao Grid remained intact. However, three (3) Transmission Lines tripped due to the earthquake.</li> </ul>	<ul style="list-style-type: none"> <li>DASURECO (Davao del Sur) and COTELCO (North Cotabato) were affected.</li> </ul>	<ul style="list-style-type: none"> <li>Two (2) gasoline stations in Digos were unoperational due to structural damage.</li> </ul>

### Strengthening Collaboration Among All Government Agencies in Processing Energy Development Applications

- Mechanisms have been put in place to attract more investors to put up power generation, transmission, and distribution projects. Among these mechanisms are RA 11234 or the *Energy Virtual One-Stop Shop (EVOSS) Act* to rid the energy sector of red tape and promote faster and simplified permitting process, thereby allowing competent investors to enter the market.

To date, the EVOSS Steering Committee (ESC) agreed to use the existing EVOSS System per Rule 5 of the EVOSS Act's IRR. There are also the ongoing hands on training for agencies and users. The enhanced EVOSS System includes online submission and payment.

- The government also activated the Energy Investment Coordinating Council (EICC) through the implementation of Executive Order 30 (EO30) to harmonize, integrate and streamline regulatory procedures for the development of energy projects of national significance (EPNS), while upholding transparency and accountability among concerned agencies. As provided in EO30, major energy

projects can be declared as EPNS if it is in consonance with the policy thrusts and specific goals of the Philippine Energy Plan (PEP) and possesses any of the attributes specified in the EO. For 2019 until June 2020, a total of 133 Certificates of Energy Project of National Significance (CEPNS) were issued with equivalent investment of PhP 386.86 Billion. These projects are expected to generate an estimated of 13,419 jobs during construction and operation.

One of the capital-intensive EPNS projects is the Mindanao-Visayas Interconnection Project (MVIP). This project will realize the country's vision of a one-grid Philippines and will facilitate power exchange between the major island grids of the country. The National Grid Corporation of the Philippines, as the proponent of the project, sees the completion of MVIP infrastructure by end-2020.

As of June 2020, the construction of submarine cable, substation and transmission line of the project is at 37.53 percent, 51.64 percent, and 57.02 percent, respectively.

- To comply with the requirements of RA 11032 or the *Ease of Doing Business Act of 2018* and to implement good governance within its own backyard, the DOE is updating its Citizen's Charter covering both external and internal processes. This seeks to simplify its processes/procedural flows thereby improving quality of service to energy stakeholders.

### Promoting the Welfare of Energy Consumers

- RA 11371 or the *Murang Kuryente Act* was signed by President Duterte on 08 August 2019 to provide reasonably priced electricity to consumers. Subsequently, its IRR was signed on 25 March 2020. The law allows the use of Government share from the Malampaya gas project as payment for the stranded contract cost and stranded debts of the National Power Corporation (NPC). Before the implementation of this policy, the stranded contract cost, and debts of NPC forms part of universal charges that are passed on to consumers. Thus, payments of these debts will lower down electricity cost for consumers.
- The DOE closely monitored the implementation of the third and final tranche of *excise taxes on petroleum products* under the Tax Reform for Acceleration and Inclusion (TRAIN) Law, which took effect on 1 January 2020.

Under this tranche, additional excise taxes of PhP1.00 per liter for gasoline, PhP1.50 per liter for diesel, and PhP1.00 per kilogram (kg) for household liquefied petroleum gas (LPG) will be imposed. There will also be an additional 12 percent Value Added Tax, bringing the total to PhP1.12 per liter for gasoline and per kg of LPG, and PhP1.68 per liter for diesel (*Table 8*).

To ensure the proper implementation of all tranches of excise taxes on petroleum products, the DOE has conducted verification inspections to make sure that depots, terminals, and retail stations are complying with the provisions

of the TRAIN Law. In particular, stocks that are part of their 31 December 2019 inventories are not to be subjected to additional excise taxes. Retail gasoline stations are also required to display a tarpaulin signifying which of their products have been additionally taxed and the date of its implementation.

Table 8. Excise Tax Tranches for Petroleum Products

Product	Pre-TRAIN Law			1ST TRANCHE - JAN 2018				
	Excise Tax	12% VAT	Total	Excise Tax	12% VAT	Total	2018 Total	
							Excise Tax	With 12% VAT
Peso/liter								
Gasoline	4.35	0.52	4.87	2.65	0.32	2.97	7.00	7.84
Avturbo	3.67	0.44	4.11	0.33	0.04	0.37	4.00	4.48
Kerosene	0.00	0.00	0.00	3.00	0.36	3.36	3.00	3.36
Diesel	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
Fuel oil	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
LPG (motive fuel)	0.00	0.00	0.00	2.50	0.30	2.80	2.50	2.80
LPG, P/kg	0.00	0.00	0.00	1.00	0.12	1.12	1.00	1.12

Product	2ND TRANCHE - JAN 2019					3RD TRANCHE - JAN 2020				
	Excise Tax	12% VAT	Total	2019 Total		Excise Tax	12% VAT	Total	2020 Total	
				Excise Tax	With 12% VAT				Excise Tax	With 12% VAT
Peso/liter										
Gasoline	2.00	0.24	2.24	9.00	10.08	1.00	0.12	1.12	10.00	11.20
Avturbo	0.00	0.00	0.00	4.00	4.48	0.00	0.00	0.00	4.00	4.48
Kerosene	1.00	0.12	1.12	4.00	4.48	1.00	0.12	1.12	5.00	5.60
Diesel	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
Fuel oil	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
LPG (motive fuel)	2.00	0.24	2.24	4.50	5.04	1.50	0.18	1.68	6.00	6.72
LPG, P/kg	1.00	0.12	1.12	2.00	2.24	1.00	0.12	1.12	3.00	3.36