



NOTICE OF MEETING

TO : **THE ASSISTANT SECRETARY** for Biodiversity
IN CONCURRENT CAPACITY AS DIRECTOR
Biodiversity Management Bureau

THE ASSISTANT SECRETARY
Field Operations – Mindanao
IN CONCURRENT CAPACITY AS DIRECTOR
Forest Management Bureau

THE ASSISTANT SECRETARY for Environment,
IN CONCURRENT CAPACITY AS DIRECTOR
Environmental Management Bureau

ALL CONCERNED OFFICES/STAFF from DENR NPC TWG
per DENR Special Order 2024-720

FROM : **The Undersecretary**
Policy, Planning and International Affairs

DATE AND TIME : **05 December 2024 (Thursday)**
10:00 AM onwards

VENUE : FMB OD Conference Room
G/F FMB Main Building
Visayas Avenue, Quezon City

In reference to the proposed Memorandum of Agreement (MOA) between the Department of Environment and Natural Resources (DENR) and the National Power Corporation (NPC) on the Management, Protection, Development, and Rehabilitation of NPC-Managed Watershed, we would like to invite you to the 1st DENR NPC Technical Working Group (TWG) Meeting to discuss the following agenda:

1. Concerns of National Power Corporation on the Missionary Electrification; and
2. Finalization of the proposed Memorandum of Agreement.

Attached are pertinent documents for your information and reference.

YOUR ATTENDANCE IS HIGHLY ENCOURAGED.


ATTY. JONAS R. LEONES

MEMO NO. 2024 - 1035



Undersecretary for Policy, Planning and International Affairs <ouppia@denr.gov.ph> ²⁹⁰⁶

First TWG Meeting re MOA between NPC and DENR

FRCD-WEMS Watershed Ecosystem Management Section <frcd.wems@fmb.denr.gov.ph> Wed, Oct 30, 2024 at 12:24 PM

To: "Emmanuel A. Umali" <eaumali@napocor.gov.ph>, marivic_yao@emb.gov.ph, paul_vallar@emb.gov.ph, angelo_villegas@emb.gov.ph, michiko_sibunga@emb.gov.ph, aldrin_maranan@emb.gov.ph, phillip_aquino@emb.gov.ph, clarisse_diaz@emb.gov.ph, anglica_gallego@emb.gov.ph, tracy_vidad@emb.gov.ph, carl_delrosario@emb.gov.ph, francismsf39@gmail.com, jennelyn.asegurado@bmb.gov.ph, recordsco <recordsco@emb.gov.ph>, BMB Records <records@bmb.gov.ph>, Jojet Galapon <jgalapon@fmb.denr.gov.ph>, Gabriel Paolo Mendoza <gpmendoza@fmb.denr.gov.ph>
Cc: "Ma. Teresa Aquino" <mtaquino@fmb.denr.gov.ph>, Donna Riza Gopez <drgopez@fmb.denr.gov.ph>, Frelie Dimaculangan <fdimaculangan@fmb.denr.gov.ph>, cmaguinaldo@up.edu.ph, OD Office of the Director <od@fmb.denr.gov.ph>, "Undersecretary for Policy, Planning and International Affairs" <ouppia@denr.gov.ph>

Dear Sir/Ma'am,

Good day.

This pertains to the proposed Memorandum of Agreement between Department of Environment and Natural Resources and National Power Corporation on the Management, Protection, Development, and Rehabilitation of NPC-Managed Watershed. In this regard, we would like to invite the Technical Working Group, per DENR SO 2024-720, to a face to face or hybrid meeting on Friday, November 8, 2024, Friday, at 1:00 PM in the FMB OD Conference Room. The agenda includes a discussion of the concerns raised by NPC and the finalization of the draft MOA. We would appreciate receiving confirmation of your attendance on or before 4:00 PM November 6, 2024, through the following link <https://bit.ly/TWGSchedA>.

Attached is the DENR Special Order 2024-720 and the presentation material of NPC for your ready reference.

Your attendance is highly enjoined.

Thank you.

Very truly yours,

TWG Secretariat



Watershed Ecosystem Management Section

Forest Resources Conservation Division

Forest Management Bureau

Phone : (63-2) 8928-2891

Email Address : fmb@denr.gov.ph



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2 attachments

SO-2024-720.pdf
53K

NPC-DENR TWG Meeting Nov 1st Week.pdf
3355K



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN**



OCT-29 2024

DENR SPECIAL ORDER

No. 2024 - 720

**SUBJECT : CREATION OF THE TECHNICAL WORKING GROUP TO
ADDRESS ISSUES AND CONCERNS ON THE OPERATIONS
AND PROJECTS OF NATIONAL POWER CORPORATION**

In the interest of the service and in order to address issues/concerns affecting the operations and projects of the National Power Corporation, a Technical Working Group is hereby created to be composed of the following:

- Chairperson** The Undersecretary
Policy, Planning and International Affairs
- Co- Chairperson** The OIC Assistant Secretary for Field Operations - Mindanao
and Forest Management Bureau Director, in concurrent capacity
- Members** The Assistant Secretary for Biodiversity and Biodiversity
Management Bureau Director, in concurrent capacity
- The OIC Assistant Secretary for Environment and Environmental
Management Bureau Director, in concurrent capacity
- Representative/s from National Power Corporation

The Technical Working Group shall facilitate the discussions and provide guidance and recommendations to ensure sustainable integrated multiple use concept of Watershed Management for the maximum utilization of Watershed resources and address issues/concerns affecting the operations and projects of the National Power Corporation.

The TWG shall be composed of the following:

- Head** Ma. Teresa G. Aquino, RPF
Chief, Forest Resources Conservation Division, FMB
- Members** Donna Riza C. Gopez, RPF
Frelie D. Dimaculangan, RPF
Gabriel Paolo E. Mendoza, RPF
Jojet C. Galapon, RPF

EMB

Engr. Marivic Yao
Engr. Paul Vallar
Engr. Michieko Sibunga
Engr. Phillip Aquino
Engr. Angelica Anne Gallego
Engr. Carl Del Rosario
Engr. Angelo Villegas
Mr. Aldrin Maranan
Ms. Clarisse Diaz
Ms. Tracy Bernadette Viadad

BMB

Mr. Francisco B. Feliciano
Ms. Jennelyn A. Ramos

A Technical Secretariat shall provide technical support and facilitate coordination and collaboration among members of the group and other relevant agencies and be composed of the following:

Head


Ma. Teresa G. Aquino, RPF
Chief, Forest Resources Conservation Division, FMB

Members

Representative/s from the following:
Biodiversity Management Bureau
Environmental Management Bureau
National Power Corporation

All expenses to be incurred in the operations of the TWG shall be charged against their respective office's fund, subject to the usual accounting and auditing rules and regulations.

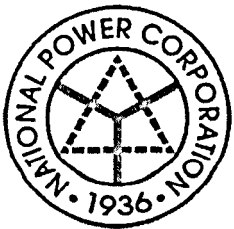
This Order shall take effect immediately.


AUGUSTO D. DELA PEÑA
Undersecretary for Organizational
Transformation and Human Resources

PRESENTATION TO THE DENR-NPC TWG REGARDING MISSIONARY ELECTRIFICATION



COMPANY OVERVIEW

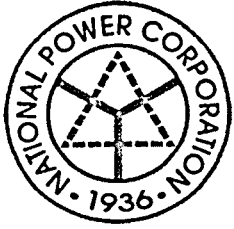


NATIONAL POWER CORPORATION

- Created under Commonwealth Act No. 120 on 03 Nov 1936
- NPC Charter established through Republic Act 2641 in 1960
- NPC Charter revised through RA 6395 in 1971, which states that **NPC shall be non-profit** to perform power generation and transmission function
- Restructured through RA 9136 or EPIRA in June 2001

COMPANY OVERVIEW

NPC's ROLE AFTER 2001 (POST-EPIRA)



Retained as a GOCC (non-profit)

- Performs missionary electrification functions, providing power generation and associated power delivery systems in areas not connected to the transmission system.
- Manages watersheds.
- Operates/maintains dams used for power generation.
- Operates/maintains generation assets transferred to PSALM pending their disposal.

POWER UTILITIES

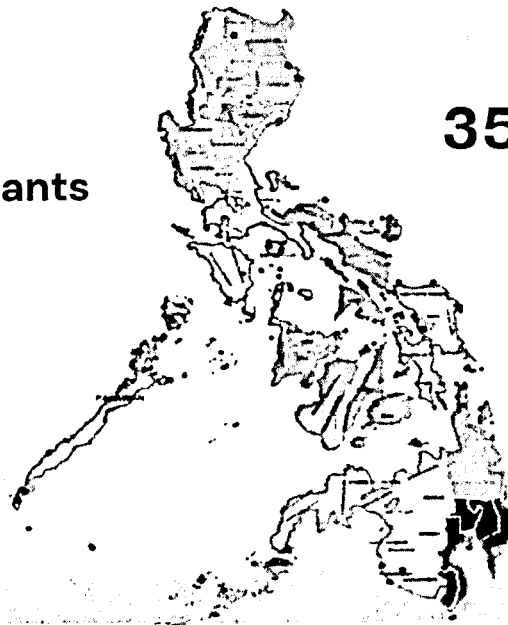
279 Missionary Plants

191 in Luzon

53 in Visayas

35 in Mindanao

NPC as sole provider of
electricity in small
islands



35 Provinces

192
Municipalities

3,083
Barangays

Data as of 25 December 2023

ELECTRICITY RATES

ESPANA-TUTUBAN BUSINESS CENTER
LUBIRAN STREET BACOOD, STA. MESA
MANILA, 1016 METRO MANILA
TIN 000-101-528-000-VAT



Page 1 of 2

Invoice No.: 1234567890123

Customer Account Number (CAN)
1234567890

Due Date
17 Oct 2021

Please Pay

₱ 3,364.86

Bill Computation Summary

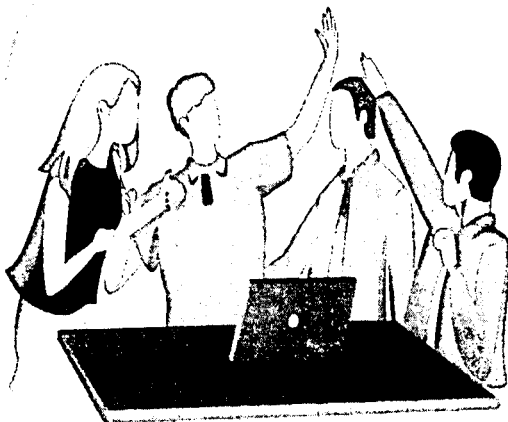
Remaining Balance from previous bill	1,646.48
<small>(see other bills due for payment under What Remains Unpaid; does not include bills under review and installment)</small>	
Charges for this billing period	1,718.38
Generation	909.48
Transmission	149.72
System Loss	81.34
Distribution (Meralco)	335.99
Subsidies	13.36
Government Taxes	169.05
Universal Charges	39.78
FIT-All (Renewable)	19.66
Applied Credits	0.00
Other Charges	0.00
Installment Due	0.00
<small>(see details under Additional Bill Information)</small>	
Total Amount Due	₱ 3,364.86

Operation of plants in small islands is non-profit, subsidized by gov't through Universal Charge for Missionary Electrification (UCME)

	*True Cost of Generation Rate (TCGR) Php/kWh	Subsidized Approved Generation Rate (SAGR), Php/kWh	TCGR-SAGR (UCME)
Luzon	16.3164	7.2387	9.0777
Visayas	28.6348	8.1045	20.530
Mindanao	15.9772	6.9429	9.0343

Note: *Data as of December 2021

EXPECTATIONS FROM THE TWG



- Resolve issues behind pending certificate/ permit applications
- Facilitate standardization/consistency of requirements
- Agree on settlement of fines/penalties, fees and options for compliances

REGULATORY REQUIREMENTS FOR MISSIONARY ELECTRIFICATION PROJECTS



Biodiversity Management Bureau

- Special use Agreement for Protected Areas (SAPA)

Forest Management Bureau

- Special Land Use Permit (SLUP)
- Forest Land Use Agreement (FLAg)

Environmental Management Bureau

- ECC/CNC
- PTO
- WDP
- HWID
- PCO Accreditation

Concern No. 1



Annual Development Fee for land use within protected area

Request:

Allow NPC to pay one-time Development Fee for its projects

Justifications:

- DAO 2019-05, Rule 25.3, *non-profit* gov't projects are allowed payment of *one-time Development Fee*
- NPC is **non-profit** per RA 6395 with projects subsidized by UCME
- Per RA 9136 IRR Sec 2, missionary electrification function shall be funded from *from sales and **Universal Charge*** from electricity end-users

Concern No. 2



Pending PAMB Clearance for San Pascual DPP (SPDPP) in Masbate, located w/in 40-m legal easement awaiting legal decision of DENR R5

Request:

- Resolution of easement issue & issuance of PAMB Clearance
- Possible provision of timeline for issuance of PAMB Clearance

Justification:

- PAMB Clearance application filed as early as 20 Oct 23 and approved by En Banc on 23 Nov 23
- For ECC Amendment application of Fuel Oil Storage Tank Project
- Titled/LGU-donated A&D land where SPDPP was constructed in 2010 outside 20-m legal easement for coastal areas
- Ticao-Burias Pass Protected Seascapes declared in 2019 expanded the legal easement from 20-m to 40-m, and overlapped the SPDPP area

Concern No. 3



Pending Guin-awayan DPP SAPA application at CENRO-Mobo, Masbate

Request:

- Provisional authority to utilize the area
- Policy/directive on land tenure in the absence of PAMB and Management Plan for declared protected areas

Justification:

- NIPAS law prohibits issuance of tenurial instruments for area w/out PAMB/Management Plan such as Guin-awayan Is.
- Guin-awayan DPP has been providing electricity since 2007
- NPC has Deed of Donation with Tax Dec as Proof of Authority.

Concern No. 4



Delayed filing of application for tenurial instruments (TIs) due long (up to 2 yrs) processing time of pre-requisite permits from other agencies (NCIP, MGB, PCSD, etc)

Request

- Accept proof of application to other government agencies for pre-requisite permits/certificates of TI applications.
- Apply "**Presumption of Prior Approval**", principle behind EO 30 (Energy Project of National Significance) "A permitting agency acts on application on presumption that all relevant permits from other gov't agencies have been issued".

Justification

- Need to fast-track securing of permits
- Implement energy projects on time
- Electricity as basic necessity, crucial for socio-economic development

Concern No. 5



Processing duration for SAPA, FLAg and SLUP applications

Request

- Streamline tenurial instruments' requirements and/or shorten processing durations
- Consider enrolling tenurial instruments' application processes in the EVOSS.

Justification

- Previous applications took 1-2 years to secure tenurial instruments
- Need to implement urgent NPC Energy Projects on time
- Electricity as basic necessity, crucial for socio-economic development

Concern No. 6

Proof of Authority



Request

- Inclusion of energy projects in EMB MC 002-2022 Sec IV.h for projects not required to submit Proof of Authority
- Accept Deed of Donation/Sale with Tax Declaration or LGU Resolution or Authority

Justification

- MC 002-2022 rationale that government road/irrigation projects are not required to submit Proof of Authority since it has power to take private properties for public use, also applies to NPC projects
- Tax declaration is the only Proof of Authority in some areas
- Need to resolve issue re **Proof of Authority** for ECC applications & other permits

Concern No. 7



Immediate deployment/operation of gensets/power barges to address power shortage

Request

- Treat **power shortage** as emergency, w/ consideration to permit applications
- Allow transfer/operation of gensets/barges w/o penalty with submission of ff:
 - a. Letter request/notification 30 days before deployment/transfer except for extreme emergency cases
 - b. SB Resolutions/LGU certifications on 'emergency' nature on such situation
 - c. ECC/Permit applications to follow

Justification

- NPC is mandated to address the power-related emergencies
- Power shortage has serious repercussions to communities/LGUs

Concern No. 8



Permit application requirements

Request:

- Agree on reference for requirements (Online application systems/Citizen's Charter)

Justification

- Some Regional Offices require documents not listed in the online application systems or deviate from MC:
 - a. R4B requires Proof of Authority for PTO/WDP applications, and LGU Certification that septic tank design is compliant with Code on Sanitation for WDP application;
 - b. R5 requires PCOs to attend another 40-hr Basic PCO Training for PCO accreditation renewal

Concern No. 9



EMB CO approval of clustering of NPC power facilities

Request:

- Expedite & provide timeline for evaluation/processing of request for clustering of power facilities

Justification

- Clustering of Bohol plants submitted on Sep 2023 & Mar 2024 but not yet approved.
- Clustering of San Pedro & San Pablo DPPs submitted on Sep 2023, approved on 17 Sep 2024 (*duration of 1 year*)
- Clustering of Panay Minigrid Plants submitted on 24 Aug 2023, approved on 19 Sep 2024
- Delayed approval on the clustering also delays securing of PCO Accreditation

Concern No. 10



Submission of Results of Laboratory Analysis for Wastewater Effluent

Request:

- Exemption from submission of BOD/Coliform results for plants that cannot comply with sample holding time
- Allow use of portable equipment as option

Justification

Some power facilities are far from DENR-recognized laboratories

Concern No. 11



Penalties/Fines

SUMMARY OF NOTICE OF VIOLATIONS

Issued NOVs (No. of Plants)	No. of Violations	Settled Violations	Waiting for an Order	Not yet evaluated
12	22	6	9	7

Request:

Consideration on the penalties/fines

Justification

Plant Head/PCO pays penalties since gov't does not provide budget

- Operation w/o ECC as emergency measure
- Oil spill due to force majeure
- Operation of day tanks (1-2.5kL) prior to 2020 w/o permit, not previously cited violation

Thank you!