

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **6641**



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

In the Department of Energy's (DOE) Philippine Power Situation Report¹, 2016 was characterized by a significant increase of 8.5% in peak demand and is highest during the months of April and May. Only 89% of the total population have access to electricity² as of 2016. The onset of El Niño and increase in temperature during the summer months affect demand of consumption for all three major islands, resulting to an increase in electric consumption by 10% from 2015 to 2016.

Demand expected to grow by more than triple in 2040 and is likely to be seen as residential consumption has also increased due to high requirements for cooling systems³. The cost of electricity in the Philippines has gone over P8 kilowatts per hour, one of the most expensive rates in Asia⁴ in 2013. The government, in turn, is taking strides in addressing the lack of capacity and insufficient reserve margins by actively enticing investors and privatizing current power plants.

¹ "2016 Philippine Power Situation Report". *Department of Energy*. Accessed from <https://www.doe.gov.ph/electric-power/2016-philippine-power-situation-report> on September 20, 2017.

² "Philippines Energy Situation". Accessed from https://energypedia.info/wiki/Philippines_Energy_Situation on September 27, 2017.

³ "2016 Philippine Power Situation Report". *Department of Energy*. Accessed from <https://www.doe.gov.ph/electric-power/2016-philippine-power-situation-report> on September 20, 2017.

⁴ "INFOGRAPHIC: Top Power Players in the Philippines". Published January 16, 2013. Accessed from <https://www.rappler.com/rich-media/14729-infographic-top-power-players-in-the-philippines> on September 29, 2017.

Despite not needing to secure a congressional franchise, power generation investments in the country is stalled by a long and arduous process that is taxing on investors and government agencies alike. Setting up a power plant would need the green light of over 200 required permits from various government bureaucracies and take as long as 5 years to complete the entire process⁵. The current business environment is riddled with complicated processes and stacks of requirements and signatures necessitated. A forward-looking and well-coordinated application and permitting process for the energy sector is timely for an efficient and accessible system.

The DOE has taken steps to address this problem with their publication⁶ of the "Energy Investors' Guidebook" that outline the requirements and processes needed from the department and other different government agencies. This has helped guide developers and investors through the entire process—from proposal of power generation projects to the implementation and construction of power plants in the country. The proposed bill is envisioned to provide a streamlined application process for power generation companies to enter the playing field. This aims to be a welcomed improvement to the current system and hopes to create a healthy and conducive environment for investment in Power Generation in the country.

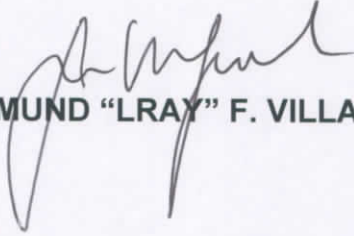
This bill proposes to create and establish a Virtual One Stop Shop (VOSS) that utilizes an online system for payments and secure and accessible paperless processing system for applications for power generation projects. Further, it proposes to eliminate duplication and redundancy by streamlining the various mandates of the different government agencies and organize documentary submissions and processes through an Inter-Agency Technical Working Group of the VOSS, aiming to create a consensus on the implementation and creation of the VOSS. This also encourages the active participation of the different government agencies in the commitment to creating a detailed but not copious process for developers.

⁵ "Philippines Power Generation capacity has been reduced under the WESM". Bienvenido S. Oplas, Jr. Published on March 23, 2016. Accessed from <http://www.bworldonline.com/content.php?section=Opinion&title=philippine-power-generation-capacity-has-been-reduced-under-wesm&id=124926> on September 29, 2017

⁶ "Energy Investors' Guidebook". *Department of Energy*. Accessed from https://www.doe.gov.ph/sites/default/files/pdf/e_ipo/eigl3.pdf on September 20, 2017.

By providing solutions and encouraging the participation of government agencies in creating a more efficient system for the energy sector, this bill hopes that this would result to being able to provide the power supply that the country needs.

The approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

**AN ACT ESTABLISHING THE ENERGY VIRTUAL ONE STOP SHOP FOR THE
PURPOSE OF STREAMLINING THE PERMITTING PROCESS OF ENERGY
GENERATION PROJECTS**

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title* – This Act shall be known as the "Energy Virtual One Stop Shop Act of 2017".

SECTION 2. *Declaration of Policy* – It is hereby declared the policy of the State to:

- a) Ensure the quality, reliability, security, and affordability of energy by undertaking measures to guarantee that supply meets demand in a timely manner;
- b) Recognize the indispensable role of the private sector in energy generation by attracting new energy generation projects through an improved ease of doing business index, and reducing the high transaction costs associated with copious requisites for developers;
- c) Ensure transparency and accountability in the process for approving energy generation projects; and
- d) Deliver efficient and effective service to the public by:
 1. Eliminating duplication, redundancy, and overlapping mandates in documentary submissions and processes by supplying an online platform for government agencies to coordinate and share information; and
 2. Providing a paperless application and processing system which serves as a single gateway for energy generation developers to access all information necessary to apply for a new generation project, submit all requirements, and monitor the approval of such.

SECTION 3. Scope – This Act shall apply to all new energy generation projects throughout the country and all departments, agencies, local government units (LGUs), government-owned and controlled corporations (GOCCs), and other entities involved in the permitting process of energy generation projects.

SECTION 4. Definition of Terms – As used in this Act, the following words or terms shall have the following meaning, unless provided otherwise:

- a) Bidding Documents – refer to documents issued by the Procuring Entity as the basis for bids, furnishing all information necessary for a prospective bidder to prepare a bid for the goods, infrastructure projects, and consulting services to be provided;
- b) Energy Virtual One Stop Shop – refers to an online system that allows the single submission and synchronous processing of all required data and information, and provides a single decision-making portal for the approval of new energy generation projects;
- c) Government Agency – refers to the agency of the government as defined in Executive Order No. 292 otherwise known as the “Administrative Code of 1987”;
- d) Joint Congressional Power Commission (JCPC) – refers to the Commission created under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001;
- e) Permitting Process – refers to the comprehensive procedure undertaken in order to put up an energy generation project which includes but not limited to the following phases: business registration, acquisition of an operating contract or service contract, pre-development, and construction of a power plant up to and including the date of commercial operations thereof, as well as all the required documentary requirements, taxes, and fees from all government agencies involved in such procedure: *Provided, That the procedure excludes the operational phase of the project;*
- f) Procuring Entity – refers to any branch, department, office, agency, or instrumentality of the government, including state universities and colleges, government-owned and/or –controlled corporations, government financial institutions, and local government units procuring goods, consulting services and infrastructure projects.

CHAPTER II ENERGY VIRTUAL ONE STOP SHOP

SECTION 5. Creation and Establishment – An Energy Virtual One Stop Shop (EVOSS) is hereby established and shall be under the supervision of the DOE. Towards this end, the DOE shall maintain and update an effective information technology infrastructure system which shall be updated regularly subject to the provisions of this Act.

SECTION 6. Characteristics – The EVOSS shall have the following characteristics:

- a) Recognize the legal effect, validity, and enforceability of electronic documents submitted for applications of energy generation projects;

- b) Utilize an online payment system for all fees and taxes imposed for applications of energy generation projects;
- c) Provide a secure and accessible paperless processing system for all energy generation developers to:
 - 1. Identify all electronic documentary requirements required from all concerned government agencies, LGUs, GOCCs, and other entities, and the corresponding fees and taxes and permitting process for each kind of energy generation project and for each phase of the project;
 - 2. Prepare, submit, process, and receive actions on all submitted electronic documentary requirements;
 - 3. Monitor and inquire of the status of on-going applications for energy generation projects, and in relation to this, ascertain the agency, office, bureau, and individual tasked with acting on a submitted electronic document and the action or inaction on it;
 - 4. Calculate, pay, and settle all appropriate fees and taxes electronically; and
 - 5. Submit complaints concerning inaction on submitted electronic documents.
- d) Provides a secure and accessible system for all government agencies involved in the permitting process of energy generation projects to interoperate with respect to:
 - 1. A unified permitting process;
 - 2. Uniform templates for electronic documentary requirements;
 - 3. Compliance with mandated processing time as stated in each agency's citizen's charter or as imposed by the Inter-Agency Technical Working Group of the EVOSS;
 - 4. Updating and monitoring of all electronic documentary requirements for approval and clearing;
 - 5. Determining which agency, office, and bureau an on-going application is in, and its status there; and
 - 6. Other aspects of the processing system.
- e) Operates as a 100% virtual storage and rules driven system built as an integrated shared service of government agencies, LGUs, GOCCs, and other entities involved in the permitting process of energy generation projects; and
- f) Comprises of a technology platform and an operations management software platform for government agencies, LGUs, GOCCs, and other entities involved in the permitting process of energy generation projects to build their defined process to build their defined processes and forms within a strict timeframe using published standards.

SECTION 7. *Inter-Agency Technical Working Group of the EVOSS* – There shall be an Inter-Agency Technical Working Group of the EVOSS (EVOSS-IATWG), to be composed of the Office of the President as the Chairperson and the Secretary of the DOE as the Vice-Chairperson, and shall have as members:

- a) Secretary of the Department of Finance (DOF);
- b) Secretary of the Department of Agriculture (DA);
- c) Secretary of the Department of Labor and Employment (DOLE);
- d) Secretary of the Department of Trade and Industry (DTI);
- e) Secretary of the Department of Agrarian Reform (DAR);

- f) Secretary of the Department of Environment and Natural Resource (DENR);
- g) Secretary of the Department of Interior and Local Government (DILG);
- h) Secretary of the Department of Transportation (DOTr);
- i) Secretary of the Department of Information and Communications Technology (DICT);
- j) Secretary of the Department of Public Works and Highways (DPWH);
- k) Secretary of the Department of Science and Technology (DOST);
- l) Chairperson of the Securities and Exchange Commission (SEC);
- m) Chairperson of the Energy Regulatory Commission (ERC);
- n) President of the National Power Corporation (NPC);
- o) President of the National Transmission Corporation (TRANSCO);
- p) Administrator of the National Electrification Administration (NEA);
- q) Chairperson of the National Commission on Indigenous Peoples (NCIP);
- r) Executive Director of the National Water Resources Board;
- s) President of the Union of Local Authorities of the Philippines (ULAP);
- t) Chairperson of the National Renewable Energy Board (NREB);
- u) Chairperson or head of the Market Operator;
- v) Chairperson or head of the System Operator; and
- w) Three (3) representatives of the intended private sector end-users of the EVOSS: *Provided*, That the said representatives shall be nominated by the DOE: *Provided further*, That the said representatives shall be non-voting members.

The members of the EVOSS-IATWG may designate their permanent representatives who must be knowledgeable in the represented agency's role, requirements, fees and taxes, and internal processes with respect to energy generation projects: *Provided*, That the involvement of the government agency, LGUs, and other entities in the permitting process of energy generation projects is a prerequisite of its membership in the EVOSS-IATWG.

SECTION 8. *Secretariat to the EVOSS-IATWG* – The DOE shall establish the necessary Secretariat for the EVOSS-IATWG.

SECTION 9. *Functions and Responsibilities of the EVOSS-IATWG Chairperson* – The Chairperson of the EVOSS-IATWG shall, upon consultation with the DOE, convene the EVOSS-IATWG within two (2) months from the effectivity of this Act.

The Chairperson of the EVOSS-IATWG shall have the following functions and responsibilities:

- a) Provide leadership direction for the EVOSS-IATWG in order to implement this Act and achieve its policy objectives while ensuring the responsiveness of the EVOSS to changing developments in information technology and the needs of the energy sector;
- b) Promote collaborative relationship and open communication between members of the EVOSS-IATWG;
- c) Encourage consensus building in decision-making by the EVOSS-IATWG: *Provided*, That in cases where a consensus cannot be reached, the Chairperson shall decide on the matter;

- d) Upon consultation with the Vice-Chairperson and the Secretariat, set the EVOSS-IATWG's meeting schedule and agenda;
- e) Preside over all meetings of the EVOSS-IATWG;
- f) Ensure that all key and appropriate issues are discussed, deliberated upon, and resolved by the EVOSS-IATWG in a timely manner;
- g) Review and approve all acts of the EVOSS-IATWG concerning recommendations on removal or inclusion of government agencies, GOCCs, and other entities in the permitting process and in the EVOSS-IATWG: *Provided*, That a government agency, GOCC, or entity may be removed for reasons of redundancy or lack of express legal mandate: *Provided further*, That a government agency, GOCC, or entity may be included if supported by an express legal mandate; *Provided finally*, That the inclusion of a bureau, board, or GOCC in the EVOSS-IATWG shall be limited to its agency or department head; and
- h) Initiate disciplinary action against members of the EVOSS-IATWG as provided in Section 16 of this Act.

SECTION 10. Functions and Responsibilities of the Vice-Chairperson of the EVOSS-IATWG – The Vice-Chairperson of the EVOSS-IATWG shall have the following functions and responsibilities:

- a) Identify all government agencies, LGUs, GOCCs, and other entities involved in each phase of the permitting process of each kind of energy generation project and submit it to the Chairperson within one (1) month upon the effectivity of this Act;
- b) Preside over meetings of the EVOSS-IATWG, in the absence of the Chairperson;
- c) Prepare the Bidding Documents for the EVOSS as approved by the EVOSS-IATWG: *Provided*, That the terms of reference shall come from the EVOSS-IATWG as provided under Section 12 (e) of this Act;
- d) Act as the Procuring Entity for the EVOSS;
- e) Upon consultation with the EVOSS-IATWG, invest in the necessary hardware and software to improve and update the maintenance and operation of the EVOSS, such infrastructure to include but is not limited to a virtual storage public data center and Quality of Service of the EVOSS;
- f) Equip DOE personnel to maintain and operate the EVOSS;
- g) Provide the necessary training and capacity building to all government agencies, LGUs, GOCCs, and stakeholders involved in the EVOSS;
- h) Exercise supervision over the EVOSS;
- i) Submit regular reports to the EVOSS-IATWG on matters enumerated in Section 10 (c), (d), (e), (f), (g), and (h) of this Act; and
- j) Recommend to the EVOSS-IATWG the possible expansion of the use of the platform to other energy licensing processes, if any.

SECTION 11. Functions and Responsibilities of the EVOSS-IATWG Secretariat – The Secretariat of the EVOSS-IATWG shall have the following functions and responsibilities:

- a) Assist the Chairperson and Vice-Chairperson in determining the meeting schedule and agenda of the EVOSS-IATWG;

- b) Supply administrative and, if necessary, technical support to the EVOSS-IATWG;
- c) Provide documents and reports which contain relevant, accurate, timely, and clear information necessary for the EVOSS-IATWG to fulfill its duties; and
- d) Perform such other duties as the Chairperson or the EVOSS-IATWG may delegate to the Secretariat.

SECTION 12. Duties and Responsibilities of the EVOSS-IATWG – The EVOSS-IATWG shall have the following duties and responsibilities:

- a) Within three (3) months upon the effectivity of this Act, create a detailed process flow of each phase of the permitting process for each kind of energy generation project, which should reflect, among others:
 - 1. Documentary requirements, and fees and taxes from each government agency; and
 - 2. Internal process flow which includes the offices to which the documents pass through, the individuals who approve them, and the maximum number of days to process these documents as stated in the citizen's charter or as imposed by the EVOSS-IATWG
- b) Within six (6) months from the effectivity of this Act, streamline the said detailed process flow by:
 - 1. Agreeing on and creating unified forms of electronic documents to replace existing documentary requirements;
 - 2. Removing duplications and redundancies in required documents; and
 - 3. Creating a simplified internal process flow within each government agency such that applications with complete electronic documents and settled fees and taxes shall be resolved within fifteen (15) working days: *Provided*, That the timeframe for applications with the NCIP and LGUs shall be governed by Sections 14 and 15 of this Act;
- c) Review the maximum number of days to process documentary requirements as state in each government agency's citizen's charter and, should see it fit, impose the maximum allowable number of days for processing in each government agency;
- d) Ensure the linkage of an online payment system to the streamlined process flow;
- e) Develop the terms of reference for the EVOSS developer which will be chosen through a public bidding under DOE's Bids and Awards Committee;
- f) Determine a reasonable processing fee for energy generation developers who use the EVOSS;
- g) Meet regularly, as determined by the Chairperson and Gupon recommendation of the Vice-Chairperson, until the operationalization of the EVOSS which shall not be later than one (1) year from the effectivity of this Act;
- h) Gather bi-annually upon the operationalization of the EVOSS to, among others:
 - 1. Monitor and assess the performance of the EVOSS;
 - 2. Determine congestion points, if any, in the existing system, and mechanisms to address them;
 - 3. Receive and resolve complaints from government personnel and energy generation developers who use the system;

4. Convey information, if any, of the agency's updated requirements and internal processes which make the current system more efficient;
 5. Identify redundant requirements or those not expressly mandated by law, and recommend to the Chairperson the removal of the requirement from the permitting process and the concerned agency, if applicable, from the EVOSS-IATWG;
 6. Identify redundant requirements which are expressly mandated by law and submit a recommendation on the matter to the Joint Congressional Power Commission (JCPC); and
 7. Prepare the annual report to the JCPC.
- i) Perform other acts necessary and incidental to accomplish the policy objectives of this Act.

SECTION 13. Duties and Responsibilities of Government Agencies, LGUs, GOCCs, Other Entities, and Stakeholders – All government agencies, GOCCs, other entities, and stakeholders involved in the permitting process of energy generation projects shall:

- a) Actively participate in the EVOSS-IATWG;
- b) Cooperate and co-labor with the DOE and other government agencies towards the immediate operationalization of the EVOSS;
- c) Continually review internal process flows to increase efficiency and reduce processing time; and
- d) Assign a person in charge of managing the EVOSS account to ensure proper monitoring and updating of electronic documents before the said agency.

SECTION 14. Local Government Units – All applications with complete supporting documents filed with the LGU shall be resolved within fifteen (15) calendar days for barangays, fifteen (15) calendar days for cities or municipalities, and fifteen (15) calendar days for provinces: *Provided*, That this shall not preclude the EVOSS-IATWG from imposing a shorter timeframe for resolution of applications should it see the expediency and feasibility of doing so.

Failure of an LGU to act on applications duly filed with complete supporting documents within the given period of time shall be deemed approval of such application by the LGU.

The denial of applications shall only be valid grounds and fully explained in writing. The said denial may be appealed to the LGU having supervisions over the disapproving LGU or, in the case of highly urbanized and independent cities, to the DILG. In all cases, any conflict between and among LGUs shall be resolved in accordance with the remedies provided for under the Local Government Code of 1991.

SECTION 15. Indigenous Cultural Communities/Indigenous Peoples – Applications with NCIP shall be resolved within a maximum period of thirty (30) calendar days: *Provided*, That this shall not preclude the EVOSS-IATWG from imposing a shorter timeframe for resolution of applications should it see the expediency and feasibility of doing so: *Provided further*, That denial of applications shall only be on valid grounds and fully explained in writing.

CHAPTER III PROHIBITED ACTS AND PENALTIES

SECTION 16. *Administrative Offenses* – The following acts, when committed by a government official and/or employee, shall be considered administrative offenses:

- a) Willful refusal to participate in the EVOSS;
- b) Willful acts which delay the operationalization of the EVOSS;
- c) Failure to comply with the mandated processing time of applications for energy generation projects as provided in an agency's citizen's charter or as imposed by the EVOSS-IATWG; and
- d) Tampering with the EVOSS or any part or component thereof.

SECTION 17. *Confidentiality* – No information or any aspect of a document submitted by any energy generation developer shall be divulged or released to anyone other than an authorized person or agency.

SECTION 18. *Penalties* – Any person found guilty of committing the act stated in Section 16 (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 16 (c) shall be penalized as follows:

- a) First offense – Reprimand;
- b) Second offense – Thirty (30) days suspension without pay; and
- c) Third and succeeding offenses – Three (3) months suspension without pay.

Any person found guilty of committing the act stated in Section 16 (d) shall suffer the penalty of dismissal and perpetual disqualification from public service.

Any person found guilty of violating Section 17 shall suffer the penalty of dismissal and perpetual disqualification from public service.

SECTION 19. *Administrative Jurisdiction* – The administrative jurisdiction on any violation of the provision of this Act shall be vested in the Civil Service Commission or the DILG, in accordance with appropriate laws and issuances.

SECTION 20. *Civil and Criminal Liability* – The finding of administrative liability under this Act shall not be a bar to the filing of criminal, civil, or other related charges under existing laws arising from the same act or omission as herein enumerated.

CHAPTER IV GENERAL PROVISIONS

SECTION 21. Appropriations – The sum Fifty Million Pesos (Php 50,000,000) for the initial implementation of this Act shall be taken from the current appropriations of the DOE. Thereafter, the funds necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act.

SECTION 22. Oversight Committee – Upon the effectivity of this Act, the JCPC established under Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 shall exercise oversight powers over the implementation of this Act.

SECTION 23. Reportorial Requirements – The EVOSS-IATWG shall take the necessary measures to ensure that the provisions of this Act are properly implemented and should submit annual reports on the program implementations and fund utilization to the JCPC.

SECTION 24. Evaluation – Upon recommendation of the EVOSS-IATWG, or within five (5) years after the effectivity of this Act, the JCPC shall conduct a systematic evaluation of the accomplishments and impact of this Act for purposes of determining remedial legislation.

SECTION 25. Separability Clause – If for any reason, any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and in effect.

SECTION 26. Repealing Clause – All laws, decrees, orders, rules, and regulations or parts thereof which are inconsistent with or contrary to the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 27. Effectivity – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,