



**IN THE MATTER OF ENVIRONMENTAL  
IMPACT ASSESSMENT LAW**

**EMB-MIMAROPA CASE NO.  
OCCMIN-022-22**

**-VS-**

**PAG-ASA GRAIN CENTER INC. 3.0 MW  
POWERPLANT**

Respondent

X-----X

**For: VIOLATION OF P.D. 1586 AND  
ITS IMPLEMENTING RULES AND  
REGULATIONS**

**O R D E R**

For consideration is the Position Paper filed by the Respondent dated 10 January 2022 relative to the Notice of Violation (NOV) issued to herein Respondent dated 06 January 2021.

The facts of the case are as follows:

On 13 July 2021, an Environmental Compliance Certificate (ECC) was issued in favor of Respondent's 3.0 MW Powerplant Project with Reference No. ECC-OL-R4B-2018-0198 located at 1899 National Highway, Brgy. Labangan, San Jose, Occidental Mindoro.

On 03 November and 21 December 2021, this Office received copies of complaints pertaining to the alleged ashes flying around the residential community and lack of proper disposal system of rice husks coming from Respondent's Powerplant project.

Accordingly, the Provincial Environmental Management Unit (PEMU) – Occidental Mindoro carried out an validation inspection on 11 November 2021 to verify the veracity of the acts being complained of.

During the inspection, it was discovered that Respondent failed to comply with the following ECC Conditions, to wit:

*ECC Condition: 06. That the proponent shall strictly manage all external, traffic problems, excessive surface runoff, dust, soil erosion, accidental spillage and health hazards identified in the Initial Environmental Examination Checklist Report and in case of emergencies episodes, appropriate response activities shall be immediately undertaken for the protection of the workers/personnel, host and nearby communities and the receiving environment.*

*Nature of Condition: Scattered Rice hulls that cause irritations (health hazards) within the community.*

*ECC Condition: 09. That the project shall conform with RA 6969 – Toxic Hazardous and Nuclear Waste Control Act; RA 9275 – Clean Water Act; RA 8749 – Clean Air Act and RA 9003 – Solid Waste Management Act.*

*Nature of Condition: RA 6969 Failure to register online as a hazardous waste generator RA 9275 Operating without a valid Discharge Permit RA 8749 Operating without a valid Permit to Operate.*

*ECC Condition: 10. That the proponent shall set-up a competent Environmental Unit (EU) with a Pollution Control Officer (PCO), within sixty (60) days from issuance of this Certificate and shall be duly accredited by this Office in accordance with DAO No. 02, series of 2014 (Revised Guidelines for Pollution Officer Accreditation).*

*Nature of Condition: Failure to designate an accredited PCO.*

*ECC Condition: R2. That the proponent shall plant an equivalent area of the project with appropriate tree species and shall coordinate with PENRO/CENRO concerned for area identification within thirty (30) days prior to project implementation. And status of compliance shall be included in the semiannual submission of CMR.*

*Nature of Condition: Failure to conduct tree planting activities that is equivalent to the project area.*

*ECC Condition: R4. That a Geo – Hazard Assessment Report (GAR) shall be conducted within the project site and the report shall be submitted to Mines and Geo-sciences Bureau, MIMAROPA Region, copy furnished to this Office within sixty (60) days upon receipt hereof.*

*Nature of Violation: Failure to submit Geo-Hazard Assessment Report (GAR) to this Office.*

Accordingly a NOV was issued against Respondent dated 06 January 2022.

In response to the NOV, Respondent filed a Position Paper dated 10 January 2022 wherein it acknowledged the factual basis of the violations while also presenting the following justifications:

1. The open rice hull storage was only a temporary as they are in the process of moving the rice hull in the enclosed area within the compound.
2. Respondent has already submitted the necessary permitting applications for Hazardous Waste Generator ID and accreditation of their designated PCO.

Respondent explained that the application process for their permitting requirements started in CY 2021. However, they have failed to complete the application process in view of the difficulty of completing the requirements for PCO accreditation which is also a requirement for other permits.

3. Respondent was already granted a Discharge Permit on 03 January 2022.
4. Respondent also acknowledged that they have focused too much in the construction and commissioning of the Powerplant Project to help alleviate the power supply shortage in the province. However, Respondent expressed

its commitment to start coordinating with CENRO – San Jose relative to the conduct of tree planting activities and to submit the GAR.

5. Respondent also explained that they have been maintaining the services of an acting PCO and are regularly submitting Self-Monitoring Reports.

On 21 January 2022, this Office conducted a Technical Conference with representatives from the Powerplant project. During the conference, this Office explained the acts which constituted the violations and consequences thereof and instructed the Respondent to expedite the collection of the rice husks until the end of February 2022.

In addition, Respondent was also required to submit the following additional documents on or before 28 January 2022, to wit:

1. Step by step procedure
2. Flow Diagram (including volume, time and motion)
3. Sources of Air Pollution (including storage bins and non-fuel burning equipment)
4. Amend application to reflect when the Powerplant commenced its operations (April 2021)
5. Fuel volume storage and capacity
6. Comprehensive Action Plan (including long-term and short-term plans) and mitigating measures
7. Geotagged photos showing the location and progress of areas subject of the complaint
8. Furnish LGU – San Jose reports on the actions taken by Pag-asa Grain Center relative to the complaint
9. Correspondence with LGU

On 27 January 2022, Respondent submitted the following documents:

- 1. PROGRAM PLANNING FOR THE REMOVAL OF RICE HUSKS OUTSIDE PGCI (OPEN AREA)** including GANTT Chart of Work Schedule, Step by Step Procedure, and Procedure Flow Diagram relative to the clearing of rice husks in the open area.
- 2. COMPREHENSIVE ACTION PLAN (SHORT TERM AND LONG TERM PLANS) AND MITIGATING MEASURES.**
- 3. CORRESPONDENCE WITH BARANGAY LABANGAN OFFICIALS ON THE ACTIONS TAKEN BY RESPONDENT RELATIVE TO THE COMPLAINTS.**  
Respondent claims to have initiated a group messaging profile on Facebook Messenger where all the updates regarding the actions taken and activities of PGCI are reported.

Respondent also provided screenshots of conversations with Barangay officials taken on the following dates:

- a. 06 January 2022
- b. 07 January 2022
- c. 10 January 2022

- d. 13 January 2022
  - e. 14 January 2022
  - f. 24 January 2022
4. **COPIES OF CORRESPONDENCE WITH LGU – SAN JOSE AND BARANGAY LABANGAN POBLACION OFFICIALS**
  5. **GEOTAGGED PHOTOS OF PGCI PLANT AND PROGRESS OF AREAS SUBJECT OF COMPLAINT**
  6. **AMENDED APPLICATION OF RESPONDENT PERMIT TO OPERATE INDICATING THE CORRECT DATE WHEN THE POWERPLANT COMMENCED THEIR OPERATIONS.**

Upon careful review and evaluation of the documents presented by Respondent, this Office resolves to **PARTIALLY GRANT** Respondent's Position Paper.

The Revised Procedural Manual for DENR Administrative Order No. 2003-30, IRR of P.D. 1586 expressly provides that, "*proponents issued ECCs are primarily responsible for monitoring their projects*" and that upon the issuance of an ECC, the Proponent undertakes full responsibility over implementation of specified measures which are necessary to comply with existing environmental regulations. Upon issuance of ECC, Respondent guarantees full responsibility in ensuring strict implementation and compliance with the conditions, restrictions and measures imposed in the ECC.

It must be emphasized that Respondent acknowledged the factual basis of the findings of the inspection conducted by PEMU – Occidental Mindoro. However, it must be noted that despite the efforts being exerted by Respondent, there is no denying that its failure to provide concrete measures early in their operations have already created health and safety hazards not only within the Powerplant facility but also to the residents of the nearby and surrounding barangays.

This Office also acknowledges that while Respondent has already submitted a letter of communication with CENRO – San Jose for the conduct of tree planting activity, the ECC Condition clearly provides that the tree planting activity shall be conducted thirty (30) days prior to project implementation.

Moreover, records show that Respondent has not yet submitted a Geo-Hazard Assessment Report and the project continues to operate without a valid Permit to Operate and Hazardous Waste Generator ID.

Upon review, this Office finds that Respondent has already been issued with a Discharge Permit (*Permit No.: DP-R4B-22-00020*) on 03 January 2022 and their designated PCO has been issued with a Certificate of Accreditation (*COA No.: 2022-R4B-03755*) on 17 January 2022 and valid until 16 January 2025.

Relative thereto, Section 9 of P.D. 1586 states that, "*any person, corporation or partnership found violating xxxxx the terms and conditions in the issuance of the ECC, xxxxx pursuant to this Decree shall be punished the suspension/cancellation of his/its certificate and/or a fine in an amount not to exceed Fifty Thousand Pesos (Php 50,000.00), for every violation thereof xxxxx.*"

**WHEREFORE**, in view of the foregoing, Respondent is hereby directed to pay the fine amounting to **TWO HUNDRED THOUSAND PESOS (PHP 200,000.00)** for failure to comply with ECC Condition Nos. 6 and 9 and Restriction Nos. 3 and 4, to be settled within fifteen **(15) days** from receipt hereof.

Finally, Respondent is hereby directed to **CEASE AND DESIST** from operating all air pollution/emission source installations and equipment until and unless a valid Permit to Operate has been secured from this Office. Respondent is also hereby directed to submit Weekly Progress Reports and Ambient Monitoring Report relative to the commitments which it has agreed upon during the Technical Conference.

Pursuant to Section VI, EMB Memorandum Circular No. 2021-10, Respondent may avail of staggered payment scheme provided that an application letter manifesting such intent must be filed within fifteen (15) days from receipt of Order subject to 20% initial payment upon the filing of an application for the required permit and the balance may be paid on a twelve months (12) installment basis payable in either cash or by issuing post-dated checks for the corresponding months.

Failure to pay at least one (1) month installment or if the issued post-dated check is dishonored by the bank due to insufficient funds, the full amount shall immediately be due and demandable without prejudice to the filing of a criminal case pursuant to applicable penal laws.

The **Chief, PEMU – Occidental Mindoro** or his duly authorized representative is directed to conduct regular monitoring of Respondent's compliances in connection with its commitments during the Technical Conference and to serve this Order within seventy-two (72) hours from receipt hereof. A report shall likewise be submitted to the undersigned within forty-eight (48) hours upon execution thereof stating the proceedings taken therein.

**SO ORDERED.**

Manila, 10 March 2022.

  
**JOE AMIL M. SALINO**  
Regional Director



Department of Environment and Natural Resources  
Environmental Management Bureau  
MIMAROPA Region



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Respondent


X-----X

**NOTICE OF ISSUANCE OF ORDER**

Please take notice that an Order was issued upon herein Respondent for the above-entitled case, a copy of which is hereto attached.

Metro Manila, Philippines, 10 March 2022.

Very truly yours,

  
**MARIA RIZZA CARMELA T. RANJO**  
OIC, Legal Unit

*Copy furnished:*

**PROVINCIAL ENVIRONMENTAL MANAGEMENT UNIT  
OCCIDENTAL MINDORO**

DENR-PENRO Compound, Brgy. Payompon,  
Mamburao, Occidental Mindoro

**CHRISTIAN RYAN TAN TIO**

Managing Head  
**PAG-ASA GRAIN CENTER INC.  
3.0 MW BIOMASS POWERPLANT**  
1899 National Highway,  
Brgy. Labangan, San Jose,  
Occidental Mindoro

**THE REGIONAL EXECUTIVE DIRECTOR**

PENRO Compound, Brgy. Suqui, Calapan City, Oriental Mindoro  
Regional Satellite Office: 6<sup>th</sup> Floor DENR by the Bay Bldg., 1515 Roxas Blvd., Ermita, Manila  
Office of the Regional Director: **(02) 8536 9786**; Administrative and Finance Division: **(02) 8536 9786**  
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DENR-MIMAROPA

**THE MUNICIPAL MAYOR**

Office of the Municipal Mayor  
Municipality of San Jose  
Province of Occidental Mindoro



R4B-2021-017308