



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

MEMORANDUM

**FOR : THE OIC-ASSISTANT SECRETARY FOR FIELD OPERATIONS
AND FOREST MANAGEMENT BUREAU (FMB) DIRECTOR
IN CONCURRENT CAPACITY**

FROM : THE UNDERSECRETARY
Finance, Information Systems and Climate Change

**SUBJECT : REQUEST OF THE NATIONAL POWER CORPORATION (NPC) TO
PROCEED WITH THE CONSTRUCTION OF SMALL POWER
UTILITIES GROUP (SPUG) POWER PLANTS UPON ISSUANCE OF
THE PROVISIONAL AGREEMENT ISSUED UNDER DAO 2021-27,
"PRESCRIBING THE GUIDELINES ON THE ISSUANCE OF
PROVISIONAL AGREEMENT FOR ALL TENURE INSTRUMENTS
ISSUED UNDER THE FORESTRY SECTOR"**

DATE : 18 October 2023

This refers to the letter dated 03 August 2023 of Mr. Fernando Martin Y. Roxas, President and CEO of the National Power Corporation (NPC), addressed to Secretary Maria Antonia Yulo Loyzaga, which we received on 16 August 2023. Said letter pertains to their pending applications for tenurial rights, licensing/ permitting and other compliances which were discussed during the NPC – Department of Environment and Natural Resources (DENR) Coordination meeting.

One of the concerns raised therein, particularly on Item Number 3, is regarding the Provisional Agreement issued under DAO 2021-27, "Prescribing the Guidelines on the Issuance of Provisional Agreement for all Tenure Instruments issued under the Forestry Sector". NPC requests for them to be allowed to proceed with the construction of the power plant upon issuance of Provisional Agreement for tenurial permit application, considering the urgency of the implementation of the power-related projects.

May we refer the matter to you for proper advice to the NPC subject to existing laws, rules and regulations. Please copy furnish the office of the Undersigned for monitoring purposes.

ATTY. ANALIZA REBUELTA-TEH

CC :

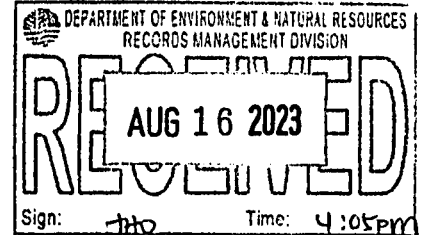
THE UNDERSECRETARY Policy, Planning, and International Affairs	THE UNDERSECRETARY Special Concerns and Legislative Affairs
ALL REGIONAL EXECUTIVE DIRECTORS DENR Regional Offices	
MR. FERNANDO MARTIN Y. ROXAS President and CEO National Power Corporation (NPC) NPC Building, Quezon Ave, corner BIR Road Diliman, Quezon City	



NATIONAL POWER CORPORATION

3 August 2023

Hon. MARIA ANTONIA YULO-LOYZAGA
Secretary
 Department of Environment & Natural Resources
 Visayas Avenue, Diliman, Quezon City



THRU: Undersecretary ANALIZA REBUELTA-TEH
 Finance, Info Systems and Climate Change
 DENR Representative to NPC Board

Undersecretary IGNATIUS LOYOLA A. RODRIGUEZ
 Special Concerns and Legislative Affairs
 DENR Alternate Representative to NPC Board

**SUBJECT: NPC-DENR COORDINATION MEETING ON PENDING
 APPLICATIONS FOR TENURIAL RIGHTS, LICENSING/
 PERMITTING CONCERNS AND OTHER COMPLIANCES**

Dear Secretary Yulo-Loyzaga:

The National Power Corporation (NPC) expresses its appreciation for the invaluable assistance rendered by the Department of Environment and Natural Resources (DENR), through its representatives, headed by Usec. Analiza Rebuelta-Teh and the Regional officials of DENR and EMB during the 28 July 2023 meeting on various NPC concerns.

NPC and DENR identified feasible solutions and reached significant agreements to resolve issues affecting NPC's tenurial applications, ECC requirements, water discharge permits, and other environmental compliances. Summarized below are the concerns and key agreements/proposals reached during the said meeting:

Concerns	Agreements/Proposals
1. Request to streamline and standardize the requirement for the issuance of Certificate of Land Classification	DENR-Head Office to issue a Memorandum for the standardization of requirements.
2. DENR's imposition of Annual Fees instead of Development Fee which is the subject of NPC's request for exemption from fees and charges per letter dated 9 December 2021	Information was relayed that the DENR-HO through its LAHRLA issued a legal opinion finding that 1) NPC is not exempted from payment of SAPA User Fee or Development Fees; 2) one-time payment of Annual Fee under DAO 2019-05 is not applicable to NPC and 3) there is no legal basis to exclude the value of the improvements in the computation of User Fee or Development Fee due from NPC.



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	NPC seeks reconsideration or appeal on the said legal opinion.
3. The requirement for SLUP conversion to FLAg and Site Expansion to be consolidated to avoid duplicity of submission	<p>The SLUP conversion to FLAg is not an automatic conversion. NPC still has to apply for FLAG and may include the additional area for site expansion.</p> <p>The procedure on SLUP and all other tenorial apps and permits need to be streamlined and considered to align with the EVOSS mechanism. List of requirements and procedures will be revisited.</p> <p>On the matter concerning issuance of provisional agreement under DAO 2021-27 involving SLUP and FLAg applications, NPC requests that it may also be allowed to proceed with the construction of the power plant considering the urgency of the project. Thus, said guidelines needs to be reviewed and to include policy on SAPA.</p>
4. The proof of NPC Authority to be a conditional requirement in the approval of ECC and other permits	<p>CENRO or EMB Regional Office concerned to Issue Certification of Application indicating that land is public as proof of NPC's authority for SPUG plants with pending tenorial applications.</p> <p>Issuance of provisional ECC and other permits pending processing of tenorial applications to address delay in securing permits from NCIP, among others, and to fast-track project completion and commissioning.</p> <p>To furnish DENR-HO of all tenorial applications to be filed at CENROs or EMB Regional Offices as well as the list of the yet-to-be filed applications with project locations for advance evaluation.</p>
5. Emergency deployment/transfer of NPC Power Barges/ Generating Sets	Issuance of 30-days prior Notice by NPC to DENR for the deployment/transfer of NPC Power Barges/GenSets to different locations in the country to address power shortages except in emergency situations that will require less than 30-days prior Notice (e.g. calamities necessitating immediate provision of electricity).
6. Difficulty in complying with the required analysis of water effluent to BOD and Coliform, a requirement for Water Discharge Permit (WDP) due to long travel	Certain time sensitive parameters will no longer be tested due distance and travel constraints, but NPC is required to desludge/siphon wastewater (only in areas where there are DENR-

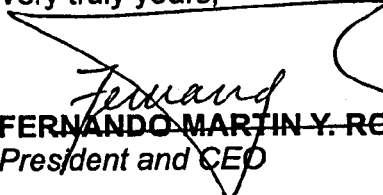
time to the nearest accredited laboratory	accredited services) and to provide water-tight septic tank in other areas.
7. Non-issuance of WDP and imposition of penalty for SPUG Plants with non-water tight septic tanks	For those with existing non-water tight septic tanks, the same should be proven sealed or build containment tanks.
8. Difficulty in complying the required septic tanks desludging, a requirement for WDP renewal for SPUG Plants located in areas without desludging services	
9. Requirement of 40-hrs Basic PCO Re-Training for Accreditation Renewal or transfer of PCO to another SPUG Plant	DENR-Head Office to issue a Memorandum to EMB to further review EMB MC 2020-28 and to standardize requirements particularly to recognize prior accreditation.
10. ECCs and WDPs were held in abeyance due to non-payment of penalties for previous non-compliances. Non-issuance of ECCs and WDPs further lead to non-issuance of Certificate of Compliance by the Energy Regulatory Commission, thus resulting to further penalties.	DENR to review the penalties and consider issuing a provisional ECC and other permits. May also need to clarify and layer the requirements or provide alternative requirements. Compliance action on the part of NPC may include, in lieu of penalties, tree-planting programs.

In addition, a Technical Working Group (TWG) and designation of focal persons from NPC and DENR per regions were also agreed and thus, we respectfully submit the attached list (Annex "A") for DENR's information and designation of counterparts. Regular TWG quarterly meeting will also be scheduled and conducted.

Since the proposals could entail review of and amendments to various DENR policies, we respectfully request the Honorable Secretary's critical support in this endeavor. We hope to further strengthen our collaboration to expedite the government's objective of total electrification of SPUG areas reiterated during the President's latest SONA.

Thank you and more power!

Very truly yours,


FERNANDO MARTIN Y. ROXAS
 President and CEO

Encl.: Copy of the Presentation Material during the 28 July 2023 Meeting
 Annex A re List of NPC Focal Persons