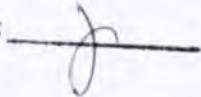




SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)

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SENATE

RECEIVED BY: 

Senate Bill No. 1286

Introduced by Sen. Win Gatchalian

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

EXPLANATORY NOTE

The Philippines aims to transform into a high middle income economy by 2022 and high income one by 2040. This would mean a 7% Gross Domestic Product (GDP) growth in the short and medium term,¹ which necessarily will be accompanied by an increased demand for energy.

The Department of Energy's conservative demand forecast, assuming a GDP growth of 5% and a population growth of 1.5%, places total energy demand at 30,189MW by 2030, a 59.38% increase from the country's current dependable capacity. Taking into account committed projects, the country still needs about 6,086 MW to meet the demand by 2030.²

Meeting future demand in a timely manner is crucial because it has cost impacts on the consumers and the economy. A shortage of power supply will force distribution utilities to buy from the wholesale electricity spot market where spot prices can possibly shoot up, or purchase from more expensive technologies – all leading to increased retail rates for the

¹ "Economy growth on target-Dominguez" posted on 17 November 2016. Accessed from <http://www.dof.gov.ph/index.php/economic-growth-on-target-dominguez/> on 14 December 2016.

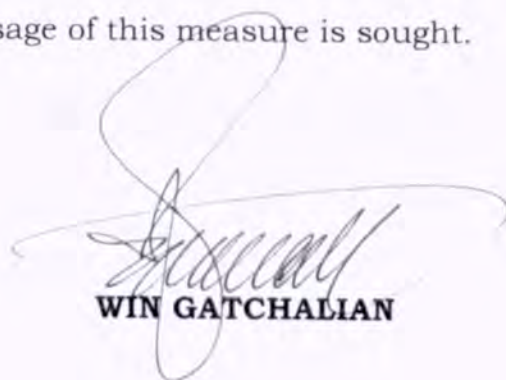
² "Forecast for power demand raised to 30,189 MW" by Victor V. Saulon posted on 1 September 2016. Accessed from <http://www.bworldonline.com/content.php?section=Economy&title=forecast-for-power-demand-raised-to-30189-mw&id=132801> on 14 December 2016.

consumers. A one hour power outage will cost the service sector and the industrial sector (sans mining, quarrying, and construction) approximately Php 4.49 billion pesos, with Php 3.29 billion from Luzon, Php 646.37 million from the Visayas, and Php 556.60 million from Mindanao.³

As such, it is important to attract greenfield power generation developers and fast-track the construction of power plants. However, one significant barrier to entry of new plants is the lengthy permitting process accompanied by copious documentary requirements. To illustrate, getting all the required permits before one can start building a hydroelectric power plant will take 1,300 days and 165 signatures from different government agencies.

This bill seeks to address the lengthy permitting process by (1) eliminating duplication, redundancy, and overlapping mandates of various government agencies in documentary submissions and processes, (2) supplying an online platform for government agencies to approve applications as well as coordinate and share information, and (3) providing a paperless processing system which serves as a single gateway for new power generation developers to access all information necessary to comply with requirements.

Given all the foregoing, the immediate passage of this measure is sought.



WIN GATCHALIAN

³ Office of Senator Gatchalian (2016), Philippine Statistics Authority (2016)



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AN ACT

ESTABLISHING THE VIRTUAL ONE STOP SHOP

FOR THE PURPOSE OF STREAMLINING THE PERMITTING PROCESS
OF POWER GENERATION PROJECTS

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Title. – This Act shall be known as the “Virtual One Stop Shop
Act of 2016.”

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

- 1 a) Ensure the quality, reliability, security, and affordability of energy by
2 undertaking measures to guarantee that supply meets demand in a
3 timely manner;
- 4 b) Recognize the indispensable role of the private sector in power
5 generation by attracting greenfield power generation projects through
6 an improved ease of doing business index, and reducing the high
7 transaction costs associated with copious requisites for new
8 developers; and
- 9 c) Deliver efficient and effective service to the public by:
- 10 1. Eliminating duplication, redundancy, and overlapping
11 mandates in documentary submissions and processes by
12 supplying an online platform for government agencies to
13 coordinate and share information; and
- 14 2. Providing a paperless processing system which serves as a
15 single gateway for new power generation developers to access all
16 information necessary to comply with requirements.
- 17

18 **SECTION 3. Scope.** – This Act shall apply to all new power generation projects
19 throughout the country and all departments and agencies involved in the
20 permitting process of power generation projects including but not limited to:

- 21 a) Securities and Exchange Commission (SEC);
22 b) Department of Finance (DOF);
23 c) Local Government Units (LGUs);
24 d) Department of Environment and Natural Resources (DENR);
25 e) Department of Energy (DOE);
26 f) National Water Resources Board (NWRB);
27 g) Department of Agrarian Reform (DAR);
28 h) National Commission on Indigenous Peoples (NCIP);
29 i) Civil Aviation Authority of the Philippines (CAAP);
30 j) Department of Labor and Employment (DOLE);

- 1 k) Department of Trade and Industry (DTI);
- 2 l) Union of Local Authorities of the Philippines (ULAP); and
- 3 m) Energy Regulatory Commission (ERC).

4

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

- 7 b) Virtual One Stop Shop – refers to an online system that allows
8 the single submission and synchronous processing of all
9 required data and information, and provides a single decision-
10 making portal for the approval of new power generation projects;
- 11
- 12 c) Government Agency – refers to the agency of the government as
13 defined in Executive Order No. 292 otherwise known as the
14 “Administrative Code of 1987”;
- 15
- 16 d) Joint Congressional Power Commission (JCPC) – refers to the
17 Commission created under Republic Act No. 9136;
- 18
- 19 e) Permitting Process – refers to the comprehensive procedure
20 undertaken in order to put up a power generation project which
21 includes but is not limited to the registration of a corporation,
22 acquisition of an operating contract, and construction of a
23 power plant as well as all the required documenary
24 requirements, taxes, and fees from all government agencies
25 involved in such procedure;
- 26
- 27

28 **CHAPTER II**
29 **VIRTUAL ONE STOP SHOP**

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SECTION 5. Creation and Establishment. – A Virtual One Stop Shop (VOSS) is hereby established under the control and supervision of the DOE.

SECTION 6. Characteristics of the Virtual One Stop Shop. – The VOSS shall have the following characteristics:

- a. Recognizes the legal effect, validity, and enforceability of electronic documents submitted for applications of power generation projects;
- b. Utilizes an online payment system for all fees and taxes imposed for applications of power generation projects;
- c. Provides a secure and accessible paperless processing system for all power generation developers to:
 - i. Be informed of all electronic documentary requirements from all concerned government agencies, and the corresponding fees and taxes and permitting process for each kind of power generation project,
 - ii. Prepare, submit, process, and receive actions on all submitted electronic documentary requirements,
 - iii. Monitor and inquire of the status of on-going applications for power 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,
 - iv. Calculate, pay, and settle all appropriate fees and taxes electronically, and
 - v. Ventilate complaints concerning inaction on submitted electronic documents;
- d. Provides a secure and accessible system for all government agencies involved in the permitting process of power generation projects to interoperate with respect but not limited to:

- 1 i. A unified permitting process,
- 2 ii. Uniform templates for electronic documentary requirements,
- 3 iii. Compliance with mandated processing time as stated in each
- 4 agency's citizen's charter or as imposed by the Inter-Agency
- 5 Technical Working Group of the VOSS,
- 6 iv. Updating and monitoring of all electronic documentary
- 7 requirements for approval and clearing, and
- 8 v. Determining which agency, office, and bureau an on-going
- 9 application is in, and its status there;
- 10 e. Operates as a 100% virtual storage and rules driven system built as an
- 11 integrated shared service of government agencies involved in the
- 12 permitting process of power generation projects; and
- 13 f. Comprises of a technology platform and an operations management
- 14 software platform for government agencies involved in the permitting
- 15 process of power generation projects to build their defined processes and
- 16 forms within a strict timeframe using published standards: *Provided,*
- 17 That the entire system remains under DOE's control and supervision.

18

19 **SECTION 7. Inter-Agency Technical Working Group of the VOSS.** – The

20 Inter-Agency Technical Working Group of the VOSS (VOSS IATWG) will be

21 comprised of one (1) representative from every government agency involved in

22 the permitting process of power generation projects: *Provided,* That LGUs shall

23 be shall be represented by ULAP. Each representative must be knowledgeable

24 in the represented agency's role, requirements, fees and taxes, and internal

25 processes with respect to power generation projects, and must be authorized to

26 make representations for their respective agencies. The VOSS IATWG will be

27 chaired by the DOE.

28

1 **SECTION 8. Dutiees and Responsibilities of the VOSS IATWG.** – The VOSS

2 IATWG is tasked with:

- 3 a. Creating a detailed process flow of the permitting process for each kind of
4 power generation project: *Provided*, That the detailed process flow should
5 reflect, among others:
- 6 i. Documentary requirements, and fees and taxes from each agency,
7 and
 - 8 ii. Internal process flow which includes the offices the documents
9 pass through, the individuals who approve them, and the
10 maximum number of days to process these documents as stated in
11 the citizen’s charter or as imposed by the VOSS IATWG;
- 12 b. Streamlining the detailed process flow mentioned above by:
- 13 i. Agreeing on and creating unified forms of electronic documents to
14 replace existing documentary requirements,
 - 15 ii. Removing duplications and redundancies in required documents,
16 and
 - 17 iii. Creating a simplified internal process flow within each agency such
18 that applications with complete electronic documents and settled
19 fees and taxes can be acted upon within fifteen (15) working days:
20 *Provided*, That for applications with the National Commission on
21 Indigenous Peoples and LGUs, the maximum time is thirty (30)
22 working days;
- 23 c. Reviewing the maximum number of days to process documentary
24 requirements as stated in each government agency’s citizen’s charter,
25 and, should it see fit, imposing the maximum allowable number of days
26 for processing in each government agency;
- 27 d. Ensuring the linkage of an online payment system to the streamlined
28 process flow;

- 1 e. Developing the terms of reference for the VOSS developer which will be
2 chosen through public bidding under DOE's Bids and Awards
3 Committee;
- 4 f. Determining a reasonable processing fee for power generation developers
5 who use the VOSS;
- 6 g. Meeting regularly, as determined by the DOE, until the operationalization
7 of the VOSS which shall not be later than one (1) year from the effectivity
8 of this Act;
- 9 h. Gathering bi-annually upon the operationalization of the VOSS to,
10 among others,
- 11 i. Monitor and assess the performance of the VOSS,
12 ii. Determine congestion points, if any, in the existing system, and
13 mechanisms to address them,
14 iii. Resolve complaints from government personnel and power
15 generation developers who use the system, and
16 iv. Convey information, if any, of the agency's updated requirements
17 and internal processes which make the current system more
18 efficient, and
19 v. Prepare the annual report to the JCPC.
- 20

21 **SECTION 9. Duties and Responsibilities of the Department of Energy. –**

22 The VOSS will be housed in, and will be under the control and supervision of
23 the Department of Energy. Towards this end, DOE shall:

- 24 a. Determine all government agencies involved in the permitting process of
25 power generation projects;
- 26 b. Convene the VOSS IATWG within two (2) months from the effectivity of
27 this Act;
- 28 c. Review and approve all acts of the VOSS IATWG;
- 29 d. Prioritize the bidding out of the contract for the VOSS developer;

- 1 e. Invest in the necessary infrastructure to maintain and operate the
- 2 VOSS, such infrastructure to include but is not limited to a virtual
- 3 storage public data center and Quality of Service of the VOSS;
- 4 f. Equip DOE personnel to maintain and operate the VOSS;
- 5 g. Provide the necessary training to all government agencies involved in the
- 6 VOSS; and
- 7 h. When deemed necessary, upon consultation with the VOSS IATWG,
- 8 update the hardware and software of the VOSS.

9

10 **SECTION 10. Duties and Responsibilities of Government Agencies.** – All

11 government agencies involved in the permitting process of power generation

12 projects shall:

- 13 a. Actively participate in the VOSS IATWG;
- 14 b. Cooperate and co-labor with the DOE and other government agencies
- 15 towards the immediate operationalization of the VOSS;
- 16 c. Continually review internal process flows to increase efficiency and
- 17 reduce processing time; and
- 18 d. Assign a person in charge of managing the agency's VOSS account to
- 19 ensure proper monitoring and updating of electronic documents before
- 20 the said agency.

21

22 **CHAPTER III**

23 **PROHIBITED ACTS AND PENALTIES**

24

25 **SECTION 11. Administrative Offenses.** – The following acts, when committed

26 by a government official and/or employee, shall be considered administrative

27 offenses:

- 28 a. Willful refusal to participate in the VOSS;

- 1 b. Willful acts which delay the operationalization of the VOSS; and
2 c. Failure to comply with the mandated processing time of applications for
3 Power Generation Projects as provided in an agency's citizen's charter or
4 as imposed by the VOSS IATWG;
5

6 **SECTION 12. Confidentiality.** – No information or any aspect of a document
7 submitted by any power generation developer shall be divulged or released to
8 anyone other than an authorized person or agency.
9

10 **SECTION 13. Penalties.** – Any person found guilty of the act stated in Sec. 11
11 (a), on the first offense shall be suspended from service for six (6) months and
12 one (1) day to one (1) year without pay, and on the second offense shall be
13 dismissed from service and shall be perpetually disqualified from re-
14 employment in any government agency or instrumentality.

15 Any person found guilty of the act stated in Sec. 11 (b), on the first
16 offense shall be suspended from service for six (6) months and one (1) day to
17 one (1) year without pay, and on the second offense shall be dismissed from
18 service and shall be perpetually disqualified from re-employment in any
19 government agency or instrumentality.

20 Any person found guilty of the act stated in Sec. 11 (c), on the first
21 offense shall be reprimanded, on the second offense shall be suspended from
22 service for one (1) to thirty (30) days, and on the third offense shall be
23 dismissed from service and shall be perpetually disqualified from re-
24 employment in any government agency or instrumentality.

25 Any person found guilty of the act enumerated in Sec. 12, on the first
26 offense shall be suspended from service for six (6) months and one (1) day to
27 one (1) year without pay, and on the second offense shall be dismissed from

1 service and shall be perpetually disqualified from re-employment in any
2 government agency or instrumentality.

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CHAPTER IV

5

GENERAL PROVISIONS

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8 **SECTION 13. Appropriations.** – The sum Fifty Million Pesos (Php
9 50,000,000.00) for the initial implementation of this Act shall be taken from
10 the current appropriations of the DOE. Thereafter, the funds necessary to
11 carry out the provisions of this Act shall be included in the annual General
12 Appropriations Act.

13

14 **SECTION 14. Oversight Committee.** – Upon the effectivity of this Act, the
15 JCPC established under Republic Act No. 9136 or the Electric Power Industry
16 Reform Act of 2001 shall exercise oversight powers over the implementation of
17 this Act.

18

19 **SECTION 15. Reportorial Requirements.** – The DOE shall take the necessary
20 measures to ensure that the provisions of this Act are properly implemented
21 and should submit annual reports on the program implementation and fund
22 utilization to the JCPC.

23

24 **SECTION 16. Evaluation.** – Within five (5) years after the effectivity of this Act,
25 the JCPC shall conduct a systematic evaluation of the accomplishments and
26 impact of this Act for purposes of determining remedial legislation.

1

2 **SECTION 17. Separability Clause.** – If for any reason, any provision of this
3 Act is declared unconstitutional or invalid, the other parts or provisions hereof
4 which are not affected thereby shall continue to be in full force and in effect.

5

6 **SECTION 18. Repealing Clause.** – All laws, decrees, orders, rules and
7 regulations or parts thereof which are inconsistent with or contrary to the
8 provisions of this Act are hereby repealed, amended or modified accordingly.

9

10 **SECTION 19. Effectivity.** – This Act shall take effect fifteen (15) days after its
11 publication in at least two (2) national newspapers of general circulation.

Approved.