



Republic of the Philippines  
Province of Isabela  
**MUNICIPALITY OF PALANAN**

**OFFICE OF THE SANGGUNIANG BAYAN**

Literal copy of *Municipal Ordinance No. 2022-02* approved by the Sangguniang Bayan of Palanan, Isabela in its *Regular Session* on *January 17, 2022* held at the Legislative Session Hall, this Municipality.

**MUNICIPAL ORDINANCE NO. 2022-02**

*Sponsored by: HON. MICHAEL JOHN D. BERNARDO, Sangguniang Bayan Member*

*Co-Sponsored by: HON. ROBERT B. NERI, Sangguniang Bayan Member*

*HON. EARL JOHN ANGELO S. BERNARDO, Sangguniang Bayan Member*

*HON. THEO ANGELO A. GARCIA, Sangguniang Bayan Member*

*HON. RONNIE A. ATIENZA, Sangguniang Bayan Member*

**AN ORDINANCE ADOPTING THE GUIDELINES TO FACILITATE THE IMPLEMENTATION OF ENERGY PROJECTS**

**WHEREAS**, The National Economic and Development Authority (NEDA) launched AmBisyon 2040 which envisions Filipinos to enjoy a strongly rooted comfortable and secure life in all aspects by 2040;

**WHEREAS**, The Philippine Development Plan (PDP) 2017-2022 intends to accelerate all infrastructure development projects, including the energy sector;

**WHEREAS**, The Philippine Energy Plan (PEP) seeks to unify with government partners and the private sector to meet the country's electricity and fuel requirements through improvements in the energy market, simplification of government procedures, promotion of resiliency in energy systems and infrastructures, and the enhancements of the consumers' power of choice;

**WHEREAS**, The Philippine Power Development Plan forecasts that the country will need 43,765 megawatts (MW) additional capacity by 2040. When an average annual growth rate of 5.7% power demand will continue to move in an upward trend;

**WHEREAS**, President Rodrigo R. Duterte, in adopting a whole-of-government approach for the needs of the energy sector, issued Executive Order No. 30 (EO 30) to streamline regulatory procedures affecting Energy Projects of National Significance;

**WHEREAS**, The Congress of the Philippines passed Republic Act (RA) 11032 "Ease of Doing Business and Efficient Government Service Delivery (EODB) Act of 2018" and RA 11234 "Energy Virtual One-Stop Shop (EVOSS) ACT" to establish the inter-operability of government processes through an online system that streamlines the permitting processes of power generation, transmission, and distribution projects;

**WHEREAS**, The Department of Energy (DOE), in implementing the pertinent energy laws, sees the Local Government Units (LGUs) as indispensable stakeholders and reiterates the existing and potential benefits for host communities of energy projects, such as Energy Regulation 1-94, national wealth tax or government share, job creations, and other social and economic development programs;

**WHEREAS**, The Department of the Interior and Local Government (DILG), in support of the DOE, enjoins all LGUs to implement the directive of the President on the implementation of energy projects;

**WHEREAS**, Section 3 of Administrative Order No. 23, Series of 2020, for processes applicable to energy-related projects, the timeline provided by RA 11234 shall be complied with;

**WHEREAS**, The DILG and the DOE issued Joint Memorandum Circular No. 2020-01, providing the Guidelines for LGUs to Facilitate the Implementation of Energy Projects;

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**NOW THEREFORE**, in order to establish, strengthen and integrate the energy policies and mechanisms, with respect to energy safety practices, energy efficiency and conservation, energy resiliency, energy planning which includes energy access and resource development, to harmonize and fast-track the implementation of the EODB Act, EVOSS Act, EO 30 and AO 23, to maximize benefits from energy projects to the host communities, to implement the necessary energy programs and projects, Be it Ordained that:

**ARTICLE I. GENERAL PROVISIONS**

**SECTION 1. Title.** This ordinance shall be shown as the Guidelines to Facilitate the Implementation of Energy Projects, otherwise known as the "LGU Energy Code".

**SECTION 2. Creation of the Energy Sector Committee under the Local Development Council.** The Energy Sector Committee is hereby created under the Local Development Council to facilitate the implementation of energy programs, policies and projects. In accordance with the following pertinent energy and other regulatory laws, and issuances:

*Republic Act No. 7160,* "An Act Providing for a Local Government Code of 1991 (Local Government Code of 1991)".

*Republic Act No. 7638,* "An Act Creating the Department of Energy, Rationalizing the Organization and Functions of Government Agencies Related to Energy, and for Other Purposes (Department of Energy Act of 1992)".

**ENERGY-RELATED LAWS**

*Presidential Decree No. 87, Amending Presidential Decree No. 8 Issued on October 2, 1972 and Promulgation of an Amended Act to Promote the Discovery and Production of Indigenous Petroleum and Appropriate Funds Therefor (The Oil Exploration and Development Act of 1972).*

*Presidential Decree No. 972,* "Promulgating an Act to Promote an Accelerated Exploration Development, Exploitation, Production and Production and Utilization of Coal (The Coal Development Act of 1976)".

*Republic Act No. 7638,* "An Act Creating the Department of Energy, Rationalizing the Organization and Functions of Government Agencies Related to Energy, and for Other Purposes (Department of Energy Act of 1992)".

*Republic Act No. 8479,* "An Act Deregulating the Downstream Oil Industry and for Other Purposes (Downstream Oil Industry Deregulation Act of 1998)".

*Republic Act No. 9136,* "An Act Ordaining Reforms in the Electric Power Industry, Amending for the Purpose Certain Laws and for Other Purposes (Electric Power Industry Reform Act of 2001)".

*Republic Act No. 9637,* "An Act to Direct the Use of Biofuels, Establishing for this Purpose the Biofuel Program, Appropriating Funds Therefor, and for Other Purposes (Biofuels Act of 2006)".

*Republic Act No. 9513,* "An Act Promoting the Development, Utilization and Commercialization".

*Republic Act No. 10623,* "An Act Amending Certain Provisions of Republic Act No. 7581 (An Act Providing Protection to Consumers by Stabilizing the Prices of Basic Necessities and Prime Commodities and by Prescribing Measures Against Undue Price Increases During Emergency Situations and like Occasions and for Other Purposes)".

*Republic Act No. 11285,* "An Act Institutionalizing Energy Efficiency and Conservation, Enhancing the Efficient Use of Energy, and Granting Incentives to Energy Efficiency and Conservation Project (Energy Efficiency and Conservation Act)".

*Republic Act No. 11361,* "An Act Ensuring the Continuous and Uninterrupted Transmission and Distribution of Electricity and the Protection of the Integrity and Reliability of Power Lines and Providing Penalties for Violations Thereof (Anti-Obstruction of Power Lines Act)".

**PRIVATE SECTOR PARTICIPATION LAWS**

*Republic Act No. 7718,* "An Act Amending Certain Sections of Republic Act No. 6957 (An Act Authorizing the Financing, Construction, Operation, and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes)".

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**REGULATORY REFORM LAWS**

*Republic Act No. 11234, "An Act Establishing the Energy Virtual One-Stop Shop for the Purpose of Streamlining the Permitting Process of Power Generation, Transmission, and Distribution Projects (Energy Virtual One-Stop Shop Act)".*

*Republic Act No. 11032, on the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018 " (Ease of Doing Business Act of 2018).*

*Executive Order No. 30 entitled, " Creating the Energy Investment Coordinating Council (EICC) in order to Streamline the Regulatory Procedures Affecting Energy Projects (EO30)".*

*Administrative Order No. 23, Series of 2020, "Eliminating Overregulation to Promote Efficiency of Government Processes".*

**SUPPORTING POLICIES**

*DILG-DOE Joint Circular 95-01 dated 31 October 1995 entitled, "Utilization of Shares from National Wealth".*

*DOE Department Circular No DC2003-11-010 entitled, " Rules and Regulations Governing the Business of Retailing Liquid Petroleum Products".*

*DOE Department Circular No. DC2007-02-0002 entitled, " Providing for the Rules and Regulations Governing the Business of Supplying, Hauling, Storage, Handling, Marketing and Distribution of Liquefied Petroleum Gas (LPG) for Automotive Use".*

*DOE Department Circular No. DC2014-01-0001 entitled, " Providing for the Rules and Regulations Governing the LPG Industry".*

*DOE Department Circular No. DC2017-11-0011 entitled, " Promulgating a Revised Rules and Regulations Governing the Business of Retailing Liquid Fuels".*

*DOE Department Circular No. DC2019-05-0007 entitled, " Rules and Regulations Implementing Republic Act No. 11234 (Energy Virtual One-Stop Shop Act)".*

*DOE Department Circular No. DC2019-11-0014 entitled, "Implementing Rules and Regulations of Republic Act No. 11285 (Energy Efficiency and Conservation Act)".*

*DOE Department Circular No. DC2020-02-0002 entitled, "The Implementing Rules and Regulations of Republic Act No. 11361, Otherwise Known as the "Anti-Obstruction of Power Lines Act".*

*DILG-DPWH-DICT-DTI Joint Memorandum Circular No. 2018-01, entitled, "Guidelines in Streamlining the Processes for the Issuance of Building Permits and Certificate of Occupancy".*

*DILG-DOF Joint Memorandum Circular No. 2019-01 entitled, "Guidelines for the Review, Adjustment, Setting and/or Adoption of Reasonable Regulatory Fees and Charges of Local Government Units".*

*DILG Memorandum Circular No. 2019-117 entitled, "Guidelines in the Integration of the Issuance of Barangay Clearance in the Permitting Processes of Cities and Municipalities".*

*DILG ARTA Joint Memorandum Circular No. 2019-01 entitled, "Guidelines on the Regulatory Reform for LGUs pursuant to the Ease of Doing Business and Efficient Government Service Delivery (EODB-EGSD) Act of 2018".*

*PPPC-DILG Joint Memorandum Circular No. 2019-01 entitled " Supplemental Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Government (LGU P4)".*

**ARTICLE II. INCORPORATION OF ENERGY PROJECTS INTO THE LGU SPATIAL PLAN AND COMPREHENSIVE DEVELOPMENT PLAN**

**Section 3. Incorporation of the LGU Plans.** The LGU shall incorporate the energy programs, policies, and projects into the spatial plan (Physical Framework Plan or Comprehensive Land Use Plan, whichever is applicable) and the Comprehensive Development Plan.

**SPATIAL PLAN**

**Section 4.** The Municipality, in connection with concerned stakeholders, shall identify upstream conventional (coal, oil, or natural gas) and/or renewable (biomass, geothermal, solar, hydropower, ocean and wind) energy resources within its areas of jurisdiction which shall be posted on the website, if available.

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The Municipality in consultation with concerned stakeholders, shall plot existing upstream and downstream energy facilities with coordinates with the Philippine Reference System 1992 (PRS 92).

The Municipality shall coordinate with existing private sector stakeholders on the expansion plans of the existing upstream and downstream energy facilities.

The Municipality shall submit the data under Section 4 of the EVOSS Act to respective Province for consolidation and submission to the concerned DILG Regional Office.

All data under Section 4 shall be submitted to the DILG- Bureau of Local Government Development and DOE – Investment Promotion Office.

The Municipality may coordinate with the Public-Private Partnership (PPP) Center for investment opportunities and potential private-public partnerships.

**COMPREHENSIVE DEVELOPMENT PLAN**

**Section 5. Benefits of Energy Projects Incorporation into the Comprehensive Development Plan.** The Municipality, and Barangay shall monitor and collect the benefits of energy projects and incorporate these benefits in its comprehensive development plan. The benefits to host communities from energy projects may include among others, funds from the Energy Regulation 1-94 (ER1-04), and the National Wealth Tax.

The development plan of the Municipality, and Barangay shall include all local energy policies, plans, and programs covering energy safety and best practices, energy efficiency and conservation, and energy resiliency in its comprehensive development plan, which shall be submitted to its respective Regional Development Council and Integrated to each of its respective Regional Development Plan.

**ARTICLE III. ENERGY PERMITS REGULATORY REFORMS**

**Section 6. Implementation of the EVOSS Act.** The LGU shall streamline the processes in issuing the necessary permits on energy-related projects in accordance with *Section 14 of the EVOSS Act*.

The LGU shall prepare, submit and implement a unified streamlined and transparent permitting process and corresponding fees.

Said permitting process and corresponding fees shall be submitted by the LGU to the EVOSS Steering Committee through the Secretariat, the DOE-Investment Promotion Office and DILG Regional Office.

The LGU shall process permits within the prescribed time frame as stated in the EVOSS Act to fast track processing of necessary permits to expedite their completion.

The LGU shall designate a focal person, office or unit in charge to managing the EVOSS account in the EVOSS System to ensure proper monitoring and updating of electronic documents and implementation of the EVOSS Act and its IRR.

Upon submission of the complete documents by the energy project applicant, the concerned LGU shall issue the corresponding permit within project. Provided, that this shall not preclude the EVOSS Steering Committee from imposing a shorter time frame for resolution of applications should it see the expediency and feasibility of doing so.

**Section 7. Deemed Approved.** Failure of an LGU to act on the applications duly submitted with complete supporting documents within the time frame shall be deemed an approval of such application by the LGU without need of further action on the part of the concerned energy project applicant.

The duly received/stamped as received application form of the energy project applicant by the concerned LGU shall serve as the relevant permit if the LGU fails to act on the application within the provided time frame.

**Section 8. Denial of Application.** In case of denial of application, the LGU shall notify the energy project applicant in writing stating the reason/s for disapproval.

**Section 9. Penalties.**

Any person found guilty of committing the acts stated in Section 17 (a) and (b) of the EVOSS Act shall be penalized as follows:

- (a) **First Offense** – Thirty (30) day suspension without pay.
- (b) **Second Offense** – Three (3) months suspension without pay; and
- (c) **Third Offense** – Dismissal and perpetual disqualification from public service.

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Any person found guilty of committing the act stated in Section 17 (c) of the EVOSS Act shall be penalized as follows:

- (a) **First Offense** – Thirty (30) days suspension without pay and mandatory attendance in Value Orientation Program;
- (b) **Second Offense** – Three (3) months suspension without pay; and
- (c) **Third Offense** – Dismissal and perpetual disqualification from public service, and forfeiture of retirement benefits.

Any person found guilty of committing the act stated in Section 17 (c) of the EVOSS Act shall suffer the penalty of dismissal and perpetual disqualification from public service.

Any person found guilty of violating Section 18 of the EVOSS Act shall suffer the penalty of dismissal and perpetual disqualification from public service.

In case of violation by the system operator and market operator of Section 17 (a), (b), and (c) of the EVOSS Act, the ERC shall impose a fine of *One Hundred Thousand Pesos (P100,000.00) for every day of delay.*"

**ARTICLE IV. DOWNSTREAM OIL**

**Section 10.** The LGU shall assist the DOE through the *LGUs' suspension of Mayor's/Business Permit and stop the actual operation of Liquefied Fuel (LF) Rental Outlets or Gasoline Stations, Household Liquefied Petroleum Gas (LPG) Establishments (i.e. Refiller, Dealer, and/or Retailer) and Auto LPG Dispensing Stations which do not have the DOE Certificate of Compliance (COC) and Standards Compliance Certificate (SCC).*

The LGU shall enforce its mandate to *calibrate instruments of weights and measures of dispensing pump meters in LF Retail Outlets and weighing devices in LPG Establishments.*

The LGU shall implement *price freeze of household LPG and kerosene upon the declaration of state of calamity in the locality. The price freeze will be implemented for maximum of fifteen (15) days, starting from the day of the official declaration and conduct regular price monitoring of LPG and kerosene that will serve as basis for the price freeze.*

**ARTICLE V. POWER DISTRIBUTION DEVELOPMENT**

**Section 11.** For all applications for Building Permits, the LGUs shall inform or coordinate with the Distribution Utilities for the inclusion of the additional supply and demand of energy in the Distribution Development Plan (DDP). Furthermore, *the LGU shall ensure compliance with RA 11361 (Anti-Obstruction of Power Lines Act).*

**ARTICLE VI. ENERGY EFFICIENCY AND CONSERVATION**

**Section 12. Energy Efficiency and Conservation Office (EECO).** The LGU, except the barangays, shall establish *EECO*, which may be part of the planning and development office, using appropriation from the General Fund established under the Local Government Code.

The DOE, in coordination with the DILG, shall issue the necessary guidelines and templates for the reports and updates to assist the LGU in the development and implementation of respective *Local Energy Efficiency and Conservation Plan (LECCP).*

Within three (3) years from the effectivity of the EEC-IRR, *the planning and development office of the covered LGU shall be considered as the EECO of such LGU.*

**Section 13. Energy Efficiency and Conservation Officer.**

**Section 13.1 Appointment/Designation of the EEC Officer.** The EEC Officer, who shall head the EECO, must be at least a college graduate and may be designated by the local chief executive from the existing personnel of the LGU or hired through external recruitment. The EEC Officer shall ensure the LGU's compliance with the EEC Act and its IRR, the Local EEC Plan and all energy conservation issuances. Within three (3) years from the effectivity of EEC-IRR, the head of the respective planning and development office of the covered LGU shall be considered as the EEC Officer of such LGU.

**Section 13.2. Funding for Remuneration of the EEC Officer.** Funding requirements for the remuneration of the EEC Officer's services shall be charged from the existing *MOOE of the Local Chief Executive of the Municipality.*

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**Section 14. National Energy Efficiency and Conservation Office (NEE&C Office).** To support the National Energy Efficiency and Conservation Coordinating Officer (NEECCO), the NEE&C Office is hereby established. The NEE&C Office shall support the NEECCO designated in the integration of all Local EE&C Plans and assist the NEECCO in participating on matters pertaining to the Government Energy Management Program (GEMP) for the LGU in the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC).

**Section 15. Local Energy Efficiency and Conservation Plan.** The LGU, except barangays through the EECO and planning development office, with the assistance of the DOE and in coordination with the DILG, shall develop and implement Local EE&C Plans and incorporate these in the local development plans. The DOE, in coordination with the DILG, shall issue the necessary guidelines and templates for reports and updates to assist the LGU in the development and implementation of respective Local EE&C Plans.

**ARTICLE VII. PRIVATE SECTOR PARTICIPATION**

**Section 16. Local Investment Incentives Plan (LIIP).** In coordination with the PPP Center, the LGU shall explore energy development projects with the private sector.

Pursuant to Section 109 of RA 7160 and in the interest of promoting energy efficiency in the local setting, the LGU, through the Local Development Council, may include energy efficiency projects in the Investment Priority Areas (IPA) and shall grant applicable incentives, including assistance or fast-tracking of permits and licenses indicated in the LIIP to establishments with energy efficiency projects upon registration and compliance with the requirements of the LGU.

Furthermore, the LGU shall encourage the participation of the private sector on opportunities provided by the upstream and downstream laws enumerated in this Ordinance.

**ARTICLE VIII. FINAL PROVISIONS**

**Section 17. Information Education Communication Campaign.** The LGU, in coordination with the DILG and the DOE, shall disseminate and capacitate its concerned stakeholders and constituents on energy safety practices, energy efficiency and conservation, energy resiliency, energy planning which includes energy access and resource development, energy programs, policies and projects.

**Section 18. Funding Support.** The Local Government Unit of Palanan, Isabela shall allocate an amount of **ONE HUNDRED FIFTY THOUSAND PESOS (P150,000.00)** for the initial implementation of this Ordinance.

**Section 19. Separability Clause.** If for any reason, any section of provision of this Ordinance is declared illegal or unconstitutional other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

**Section 20. Repealing Clause.** All previous issuances, ordinances, rules and regulations or parts thereof, which are inconsistent or in conflict with the provisions of this Ordinance are hereby repealed or modified accordingly.

**Section 21. Effectivity Clause.** This Ordinance shall take effect fifteen (15) days after its approval and publication.

**ENACTED**, January 17, 2022.


**I HEREBY CERTIFY** that the foregoing ordinance was duly enacted by the Sangguniang Bayan of Palanan, Isabela during its Regular Session.

  
**NELIA ALAMO-PLATA**  
Secretary to the Sanggunian

**ATTESTED AND CERTIFIED TO BE DULY ENACTED:**

**APPROVED:**

  
**JIMMY B. GONZALES**  
Municipal Vice-Mayor & Presiding Officer

  
**ELIZABETH B. OCHOA**  
Municipal Mayor  
Date: 21-19-2022