

**DEPARTMENT OF ENERGY**  
**E-POWER MO:**  
**Energy Consumer and Stakeholders' Conference**

**The Philippine Conventional Energy  
Contracting Program**

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# Background

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- **Presidential Decree No. 87**, as amended, otherwise known as “*The Oil Exploration and Development Act of 1972*”, and **Presidential Decree No. 972**, as amended, otherwise known as “*The Coal Development Act of 1976*”, allow the Philippine Government to promote and undertake the exploration, development and production of the country’s indigenous petroleum and coal resources through Service/Operating Contracts with Contractors;
- In the thrust to further explore and develop the country’s petroleum and coal resources, there is a need to perpetuate and maintain a transparent and competitive system of awarding Conventional Energy Contracts for Petroleum and Coal



# Objectives

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1. To Create Governing rule/s on the application, evaluation and award of Petroleum Service Contracts (PSCs) and Coal Operating Contracts (COCs);
2. To Institute a System of Coordination, Administration, Supervision and Regulation via the Review and Evaluation Committee to tackle issues such as but not limited to the following:
  - a. Extension and Termination of Contracts;
  - b. Transfer and Assignment of Participating Interest;
  - c. Disposal of Assets; and
  - d. Allocation and Utilization of Contract's Assistance Funds



# Salient Features

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1. Adopting of a ***Nomination-Based*** Contracting / Licensing Scheme;
2. Compliance of ***milestone work commitments***;
3. Compliance of ***legal, technical and financial qualifications*** under a specific guideline of requirements and criteria;
4. Introduction of ***marginal field*** as part of the available areas for petroleum; and
5. Implementation of an expeditious awarding process ***all-year-round***



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# THANK YOU

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