CERTIFICATE OF BOARD RESOLUTION

This is to certify that at the Board Meeting of the Philippine Economic Zone Authority (PEZA) held on **17 July 2025**, during which a quorum was present, the following resolution was approved:

"RESOLUTION NO. 25 - 219

WHEREAS, PEZA recognizes the strategic importance of transitioning to renewable energy to support sustainable industrial development and ensure energy resilience within the country's Public Economic Zones;

WHEREAS, global decarbonization efforts continue to accelerate, and locators within PEZA-administered zones are increasingly pursuing green energy solutions in alignment with their Environmental, Social, and Governance (ESG) commitments, and in adherence to the sustainability mandates of their parent companies, including global initiatives such as RE100;

WHEREAS, in a Memorandum to the Board dated 14 July 2025, the Management, represented, among others, that it has received a growing number of inquiries from Registered Business Enterprises (RBEs) on integrating renewable energy into their power supply, while renewable energy providers have expressed interest in developing and operating facilities within economic zones;

WHEREAS, in order to institutionalize a fair, transparent, and competitive process for accommodating unsolicited renewable energy proposals, the Management has formulated the "PEZA Guidelines on the Award of Renewable Energy Contract in the Public Ecozones through Unsolicited Proposal" (hereinafter referred to as "**RE Guidelines**");

WHEREAS, in support of the proposed afore-mentioned institutionalization, further stated that the RE Guidelines are anchored on the authority granted to PEZA under Section 13 paragraph d of Republic Act No. 7916, as amended, which empowers PEZA to enter into contracts for the operation and development of infrastructure, including light and power systems, within public economic zones;

WHEREAS, Management highlighted also that the Guidelines align with the legal framework under Republic Act No. 9513, or the Renewable Energy Act of 2008, and its implementing issuances specifically, DOE Circular No. 2019-10-0013, as amended by DOE Circular No. 2024-06-0018, and DOE Circular No. 2009-07-0011, governing the award, registration, and administration of renewable energy service or operating contracts through transparent and competitive processes;

WHEREAS, on 10 March 2025, the Management, in order to ensure compliance with such other relevant legal frameworks, has likewise sought guidance from the Public-Private Partnership (PPP) Center on whether renewable energy projects within public ecozones fall under the PPP Code and its Implementing Rules and Regulations (IRR), emphasizing the proposed RE Project is purely commercial in nature, not intended as public infrastructure, and does not involve facilities or services for the use of the general public, with the primary objective being profit generation for both PEZA and the concerned RE developer;

WHEREAS, on 27 May 2025, the PPP Center issued its NPM Opinion No. 2025-012, accordingly confirming PEZA's authority to administer RE Projects through its own internal guidelines, stating, in part that RE or operating contracts awarded under RA 9513 do not fall within the scope of the PPP Code IRR, unless bundled with a PPP component;

WHEREAS, the Management warrants that the proposed Guidelines are designed to promote transparency, competitiveness, and accountability in energy procurement while safeguarding the interests of economic zone locators through a structured selection process that prioritizes the quality, reliability, affordability, and environmental sustainability of power supply within the PEZA Economic Zones.

NOW THEREFORE, in view of the foregoing premises, and after due considerations of the representations and justifications of submitted by the Management, the Board hereby issues the following Resolution:

RESOLVED, That the "**PEZA Guidelines on the Award of Renewable Energy Contract in the Public Ecozones through Unsolicited Proposal**" is hereby **APPROVED**, subject to compliance with the reportorial requirements being implemented by the Department of Energy (DOE), if applicable, and such other relevant laws, regulations, and institutional policies governing RE development within PEZA Economic Zones.

RESOLVED ALSO, That the full text of the RE Guidelines, attached hereto as Annex "A", is hereby adopted in *toto* and made an integral part of this Resolution for all legal intents and purposes.

RESOLVED FINALLY, That the RE Guidelines shall take effect fifteen days (15) from its publication in a newspaper of general circulation or the Official Gazette. The Office of the Board Secretariat is hereby directed to cause the said publication and the filing of a Certified True Copy thereof with the Office of the National Administrative Register (ONAR) at the University of the Philippines (UP) Law Center."

The above-quoted Resolution is true and correct in accordance with the records of the Office of the Board Secretariat.

Digitally signed by
Atty. Christine Heide A. Rosales

ATTY. CHRISTINE HEIDE A. ROSALES
Acting Board Secretary

07/18/2025 /gsr

ANNEX "A"

PEZA GUIDELINES ON THE AWARD OF RENEWABLE ENERGY CONTRACT IN THE PUBLIC ECOZONES THROUGH UNSOLICITED PROPOSAL

WHEREAS, this policy entitled "PEZA Guidelines on the Award of Renewable Energy Contract through in the Public Ecozones," aligns with the pertinent provisions of DOE Circular No. 2019-10-0013, or the "Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts and the Registration of Energy Developers."

WHEREAS, in support of the National Renewable Energy Program (NREP) covering 2020–2040, setting a target of at least a 35% renewable energy (RE) share in the power generation mix by 2030, and 50% by 2040, PEZA aims to accelerate and increase utilization of onsite renewable energy source in the public economic zones to reduce electricity costs and as form of global competitiveness among locators;

WHEREAS, this opportunity has attracted investors and renewable energy developers in distributed energy source by offering their services to PEZA through unsolicited proposals.

WHEREAS, Section 7 (d) of the PPP Code IRR provides non-applicability of the law for RE sourcing which states that "renewable energy service or operating contracts awarded pursuant to RA No. 9513, or the "Renewable Energy Act of 2008" are not subject to PPP Code, unless they are bundle with the PPP Project.

WHEREAS, Section 2 of RA No. 9513, otherwise known as the Renewable Energy Act of 2008 or RE Act, directs the State to encourage and accelerate the exploration, development and utilization of renewable energy (RE) resources such as, but not limited to biomass, Renewable, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

NOW, THEREFORE, in light of the foregoing, the PEZA hereby issues the following guidelines and procedures in Awarding Renewable Energy Contracts in the public ecozones.

CHAPTER I - GENERAL PROVISIONS

Section 1. Title

This Policy shall be known as the "PEZA Guidelines on the Award of Renewable Energy Contract in the Public Ecozones through Unsolicited Proposal "

Section 2. Coverage

This Policy shall prescribe the guidelines and procedures on:

2.1 The development, review and approval, comparative challenge, and award of RE Contracts;

2.2 The administration of RE Contracts.

Section 3. Definition of Terms

As used in this Policy, the following terms shall be understood to mean, as follows:

3.1 "Commercial Operations" shall refer to the phase commencing at the operation of the RE Project, following its successful testing and commissioning, and confirming its readiness to inject power into the economic zone to sell or supply its produced energy, as duly confirmed by PEZA and other relevant regulatory bodies.

3.2 "Commercial Quantities" shall mean quantities of energy to be produced from the RE Resources using commercially available technology to develop the RE Systems which have a reasonable chance of being sufficient and technically compliant to support the Commercial Operations of the project.

3.3 “Comparative Challenge Process” refers to a process where the unsolicited proposal submitted by the Original Proponent (OP) is subjected to comparative challenges from third parties upon invitation of PEZA. The OP is then given the right to match the best competing offer within a specified period.

3.4 "Contract Area" shall refer to the total area, which is the subject of the RE Contract as detailed and outlined in the map with its technical description, and where the RE Developer has the exclusive right to explore, develop and utilize the RE Resources.

3.5 "Financial Qualifications" shall refer to the criteria and procedures set out by PEZA to establish the financial capability of the RE Developer to implement the RE Project.

3.6 "Letter of Intent" or "LOI" shall refer to the written notice or document submitted by Person to PEZA, indicating interest in the exploration, development, utilization and commercialization of RE Resource.

3.7 “Original Proponent” or “OP” is a private sector entity that has submitted an unsolicited proposal and has been determined by PEZA to be financially, legally, and technically capable of undertaking the proposed project.

3.8 “Original Proponent Status” or “OPS” is the recognition given to a Private Proponent after a successful negotiation with PEZA, granting them the exclusive right to match any superior offer during the Comparative Challenge process.

3.9 "Person" shall refer to a natural or juridical person, as the case may be.

3.10 "Production Area" shall refer to that portion of the Contract Area identified in meters and bounds by the RE Developer and approved by PEZA, where RE Resources are utilized to produce electricity in Commercial Quantities.

3.11 “Public Ecozones” shall refer to Cavite Economic Zone (CEZ), Pampanga Economic Zone (PEZ), Baguio City Economic Zone (BCEZ) and Mactan Economic Zone (MEZ), including future PEZA-owned or PEZA-initiated economic zones.

3.12 “RE Applicant” refer to any person, subject to limitations provided in Annexes hereof, who applies to undertake the development, construction, and operation of roof-mounted Renewable panel installations to generate electricity inside public ecozones.

3.13 "RE Developer" or “Proponent” shall refer to an individual or juridical entity created, registered and/or authorized to operate in the Philippines in accordance with existing Philippine laws, and engaged in the exploration, development and/or utilization of Renewable Resources, and actual operation of Renewable Energy Project. It shall include existing entities engaged in the exploration, development and/or utilization of Renewable Resources, or the generation of electricity from Renewable Resources, or both.

3.14 "RE Project" shall refer to the power generation and related facilities utilizing RE Resources under a particular RE Contract issued by PEZA pursuant to the RE Act.

3.15 "RE Review Committee" or "PEZA-RE Committee" refers to the unit of PEZA created under Section 4.1 of this Policy, with the primary function of reviewing and evaluating the RE Proposals and Applications of RE Applicants, including the conduct of comparative challenge process, and provide recommendations to PEZA Director General for the award of RE Contracts.

3.16 "PEZA Renewable Energy Contract" or "PEZA-RE Contract" shall refer to the RE Contract issued for the development and operation of RE Projects utilizing Renewable energy inside public ecozones.

3.17 "Work Program" refers to the plans and programs and other related activities formulated for the performance of the work obligations under the RE Contract by the RE Developer, along with the corresponding budgetary estimate, submitted to PEZA for approval.

CHAPTER II - REVIEW COMMITTEE

Section 4. CREATION OF THE PEZA-RE COMMITTEE

4.1 Creation of a Review Committee
An RE Review Committee (PEZA-RE Committee) shall be created to evaluate the RE Proposals and Applications of RE Applicants and provide recommendations to PEZA Director General for the award of RE Contracts.

4.2 The PEZA-RE Committee shall be composed of the following:

4.2.1 The Zone Administrator of respective zones as the Chairperson,

4.2.2 The Group Manager of the Policy and Planning as the Vice-Chairperson,

4.2.3 Representatives from:
- 4.2.3.1 Legal Affairs Group (LAG),
- 4.2.3.2 Finance Group (FG),
- 4.2.3.3 Ecozone Development Department (EDD), and
- 4.2.3.4 Engineering Management Division (EMD) / Support Services Department (SuSD).

4.3 PEZA-RE Committee Secretariat
The Review Committee shall be assisted by the Special Concerns Division (SCD) who will act as the Secretariat of PEZA-RE Committee.

CHAPTER III – PROCEDURE FOR UNSOLICITED PROPOSAL

Section 5. Unsolicited Proposal shall be a process in which a proposal is submitted by a RE Applicant to PEZA, which is not in response to a solicitation or request issued by the latter to undertake RE projects inside public ecozones.

5.1 Development Stage

5.1.1 Submission of Letter of Intent (LOI). All interested participants shall prepare an LOI (Annex D) to develop a certain area, addressed to PEZA Director General (DG), which shall be submitted to the Secretariat and shall forward the LOI to the DG and the Legal Group (LAG). The submission of the LOI shall not be considered as a filing of a RE Application and shall not commence the application process.

5.1.2 Upon receipt of the LOI, PEZA and the participant shall enter into a Memorandum of Understanding (MOU) with the intent to conduct due diligence to formulate the Feasibility study (FS) on the PDA. The MOU shall not grant exclusive rights to the RE Developer to the project.

5.1.3 The FS shall comply with the list of requirements as enumerated to Annex C.

5.2 Review and Approval Stage

5.2.1 The RE Applicant shall submit to PEZA the copy of LOI addressed to the DG following the prescribed format (Annex D) together with the FS, and RE Application in accordance with prescribed Checklist of Requirements (Annex E), and the Terms of Reference (TOR);

5.2.2. The RE Application must be in both paper, one (1) original and (3) copies, and (1) electronic copy (flash drive in Portable Data Format) for each Document.

5.2.3 Upon receiving the proposal, the Secretariat shall issue an acknowledgement letter within three (3) working days and shall check the completeness of the documents in reference to Annex C, D and E.

Once all the documents are found to be complete, the Secretariat shall forward the documents to the PEZA-RE Committee to proceed with the evaluation of the documents submitted within thirty (30) working days.

5.2.4 After the PEZA-RE Committee determines that all documents are complete, significant, and feasible, based on the evaluation using the scoring matrices (Annexes C, D, and E), it shall inform the RE Applicant of the evaluation results through a letter within five (5) working days.

5.2.5 PEZA-RE Committee, and the RE Applicant will conduct a negotiation in good faith within thirty (30) working days. The negotiation will include finalizing the Terms of Reference (TOR) and other necessary documents for the comparative challenge.

5.2.6 When the negotiation was successful and both parties settled, PEZA-RE Committee will recommend the RE applicants' qualification to grant the Original Proponent Status (OPS) within five (5) working days to the DG.

5.2.7 Once approved by the DG, the RE Applicant shall be granted the OPS. This will be subject to a Comparative Challenge within thirty (30) working days.

5.3 Comparative Challenge

5.3.1 The PEZA-RE Committee shall publish the TOR in newspapers of general circulation posted in PEZA website and bulletin boards within fourteen (14) calendar days. RE Applicants who are interested to challenge the OP must submit a LOI, the complete requirements listed on Annex E, and the proposed TOR.

5.3.2 The Secretariat shall receive proposals upon posting within thirty (30) calendar days. Any proposals submitted after the prescribed days shall not be entertained.

Submissions from other RE Applicants received:

5.3.3 The PEZA-RE Committee shall accept the submission challenging the OP within the prescribed period and shall proceed with the evaluation of the submitted documents.

5.3.4 The evaluation of the submitted documents shall follow the first-to-submit, first-to-evaluate basis.

5.3.5 If, during the evaluation, the submitted documents achieve a higher score than the Original Proponent (OP) based on the evaluation matrices (Annexes K, L, M, and N), and are found to be compliant with both the Checklist of Requirements and the Terms of Reference (TOR), the Secretariat shall formally notify the OP and the challenger of the qualification results.

5.3.6 The OP will be given fifteen (15) calendar days to submit their counter-offer in response. In case the OP failed to submit their counter-offer within the prescribed days, the OP deemed conceding with its proposal and the challenger shall be granted the opportunity to proceed with the project.

5.3.7 In case the OP submits its counter-offer, the PEZA-RE Committee shall accept and evaluate within fifteen (15) working days.

5.3.8 If the proposal of the challenger outweighs the counter-offer of the OP based on the criteria matrix, the PEZA-RE Committee shall recommend the approval of the challenger to the DG. Once approved, the Secretariat shall inform the OP and the challenger on the results of the evaluation.

5.3.9 The PEZA-RE Committee shall inform the winning proponent of the contract arrangement within three (3) working days.

No other submissions received:

5.3.11 If there are no submissions within the thirty (30) calendar day duration, the PEZA-RE Committee shall recommend to the DG the award of the project to the OP within five (5) working days. Upon approval, the Secretariat shall inform the OP on the results of the evaluation.

5.3.12 PEZA-RE Committee shall inform the winning proponent of the contract arrangement within three (3) working days.

5.3.13 When both parties agree on the terms of the contract, contract signing will commence.

CHAPTER IV - AWARDING OF PEZA RENEWABLE ENERGY CONTRACT

Section 7. Approval and Signing of the PEZA Renewable Energy Contract (PEZA-RE CONTRACT)

The following procedures shall govern the awarding of the PEZA-RE CONTRACT:

7.1 *Notification of Award.* — The Secretariat shall notify winning proponent per PDA of the award and the schedule of the signing of the PEZA-RE CONTRACT through a Notice of Award (NOA).

7.2 *Signing of the PEZA-RE CONTRACT.* — The signing of the PEZA-RE CONTRACT shall be divided into two stages, namely: a) signing by the awarded RE Applicant; and b) signing of the DG.

7.2.1 PEZA will send a draft of the PEZA-RE Contract to the awarded Renewable Energy (RE) Applicant. A meeting with the PEZA-RE Committee, SCD, and the RE Applicant will be held to finalize the contract within fifteen (15) working days of receiving the draft. If delays occur, the process may be extended up to ten (10) working days.

7.2.2 After the contract is finalized and confirmed to be complete and correct, the PEZA-RE Committee will forward it to LAG for final review before the RE Applicant signs the original copies.

7.2.3 Within three (3) working days of signing, the PEZA-RE Committee will endorse to the Director General (DG), recommending the approval, including the pre-signed contract, and sign the documents within five (5) working days.

7.3 Registration Agreement. The awarded RE Applicant must register with PEZA as mandated by R.A. 7916 to operate and conduct business within the economic zone.

7.4 *Posting of Performance Bond.* — The PEZA-RE Committee shall issue Letter to Proceed (LTP) to the awarded RE Applicant within one (1) working day from the issuance of the approval of the PEZA-RE Contract. Subsequently, the awarded RE applicant shall post the performance bond, within thirty (30) working days upon receipt of the approval. Further, non-posting of the performance bond within thirty (30) working days from receipt of notice shall cause the PEZA-RE Contract to be deemed terminated.

7.5 *Delivery of the Signed* PEZA-RE Contract — The notarized copy of the PEZA-RE Contract shall be furnished to the awarded RE Applicant.

CHAPTER V - ADMINISTRATION OF THE PEZA-RE CONTRACT

Section 8. Posting of a Performance Bond.

The awarded RE applicant shall post a bond or any other guarantee of sufficient amount, but not less than the minimum expenditures commitment for the first Contract Year, which shall be a condition precedent for the effectivity of the PEZA-RE CONTRACT. A valid and subsisting performance bond is required to be maintained annually until the pre-construction phase of the RE Project.

Section 9. Amendment of the PEZA-RE Contract.

9.1 Amendment to PEZA-RE Contract, When Required. - PEZA-RE Contract shall be amended only: (a) when making changes to the PEZA-RE Contract Area; or (b) under circumstances involving an increase or decrease in the installed capacity of the RE Project; or (c) improvements in the Renewable project.

9.2 Amendments to the PEZA-RE Contract Area. - The RE Developer shall submit a request in writing addressed to the DG, with the letter attention given to the PEZA-RE Committee, and shall comply with the following:

9.2.1 Technical description of proposed amendment to the Contract Area indicates the technical specifications and other mapping requirement for the purpose of area verification;

9.2.2 The proposed amendment shall cover an area contiguous to the existing Contract Area and upon verification by the respective zone engineering department where the project is to be implemented;

9.2.3 The amendment of the Contract Area is justified and reasonable, which may be proven by: (a) the results of the resource assessment, duly verified by the concerned Engineering unit; (b) proof that the awarded RE applicant is not in default of its technical and financial obligations under the PEZA-RE Contract, and (c) other relevant facts and/or documents; and

9.2.4 The Work Program with respect to the amended Contract Area Is acceptable.

RE Developer with provisions on milestone periods shall be allowed to apply for Contract Area amendments during the milestone period, Provided, that all approved milestone activities under the PEZA-RE Contract have already been accomplished.

9.3.1 In case the PEZA-RE Committee states that the viability of the project is subject to a Contract Area amendment, such amendment may be allowed upon issuance of the Notice to Amend (NTA).

9.4 Evaluation of Requests for PEZA-RE Contract Amendment. - All requests for amendment shall be submitted to the Office of the DG, through PEZA-RE Committee, and shall be processed as follows:

9.4.1 Within three (3) working day from receipt of the request for PEZA-RE Contract amendment, the Office of the DG shall forward the documents to the concerned PEZA-RE Committee for evaluation.

9.4.2 The concerned PEZA-RE Committee shall evaluate the request within five (5) working days. In case the evaluation of the concerned PEZA-RE Committee shows: a) that there are additional costs to be incurred that should warrant another financial evaluation; b) if there are any legal concerns on the RE project; or c) if there is a need of re-plotting of Contract Area, it shall endorse the request to Engineering Department of the Economic Zone which shall evaluate the request within fifteen (15) working days from receipt of such endorsement.

9.4.3 Within five (5) working days from completion of the evaluation, the PEZA-RE Committee shall provide its recommendation to the DG on the request and the complete basis thereof.

9.5 Revision of the Work Program. - Subject to terms and conditions stipulated in the PEZA-RE Contract, the RE Developer may request for revision of its Work Program with justification on such revision and shall

be processed in accordance with the following:

9.5.1 Within three (3) working day from receipt of the request for the revision of Work Program, the ODG shall forward the documents to the concerned PEZA-RE Committee for evaluation.

9.5.2 The concerned PEZA-RE Committee shall evaluate the request within ten (10) working days. In case the evaluation of the concerned PEZA-RE Committee shows: a) that there are additional costs to be incurred that should require another financial evaluation, orb) if there are new legal issues brought about by such revision, it shall endorse the request to the FG and LAG which shall evaluate the request within fifteen (15) working days from receipt of such endorsement.

9.5.3 Within five (5) working days from completion of the evaluation, the PEZA-RE Committee shall provide its recommendation to the DG on the request and the complete basis thereof.

Section 10. Termination of PEZA-RE CONTRACT

PEZA shall have the power to terminate PEZA-RE Contract, after due notice to the RE Developer.

10.1 Evaluation Process for PEZA-RE Contract Termination. - The concerned PEZA-RE Committee shall recommend the termination of the PEZA-RE Contract within the following timelines:

10.1.1 Three (3) working days from the voluntary abandonment in writing of the SE Developer of the PEZA-RE Contract;

10.1.2 Prior to the pre-construction phase of the RE Developer, upon the discovery that the RE Developer failed to maintain the required performance bond; or

10.1.3 At any stage of the PEZA-RE Contract, upon findings of any of the grounds for RE Developer termination as stipulated therein.

The failure of PEZA to adhere to the periods provided above shall not be construed as a waiver of its power to evaluate and recommend the termination of RE Contracts at a later time.

10.2 With respect to Sections 10.1.1 and 10.1.3 above, the concerned PEZA-RE Committee shall prepare a letter, requiring the RE Developer to explain in writing why its PEZA-RE Contract should not be terminated. The RE Developer shall be given a non-extendible period of fifteen (15) calendar days to submit its explanation, which shall be accompanied by supporting documents.

No later than twenty (20) working days from its receipt of the SE Developer's written explanation, the concerned PEZA-RE Committee shall submit its findings and recommendation to the DG.

10.3 In case the DG approves the PEZA-RE Committee's recommendation, the RE Developer shall be notified in writing of the termination of its PEZA-RE Contract. The concerned PEZA-RE Committee shall inform the Zone Locators and stakeholders of such fact.

10.4 Subject to the conditions under Section 10 hereof, areas covered by terminated PEZA-RE Contract shall be declared by the PEZA open for development, specifying the mode of awarding of the PEZA-RE Contract; which, if the area is determined as a PDA, PEZA-RE Contract applications shall be through Open Competitive Selection Process or any other mode of award following the guidelines to be promulgated by PEZA.

Section 11. Request for Reconsideration

An RE Developer whose PEZA-RE Contract was terminated may request for the reconsideration of the same. The request shall be made in writing, addressed to the DG and filed within fourteen (14) calendar days from the RE Developer's receipt of the notice of termination. The PEZA-RE Committee shall evaluate the merits of the request for reconsideration and endorse such recommendations to the DG following the process provided under Section 10 hereof.

Section 12. Repealing Clause

Nothing in this Policy shall be construed as to amend, supersede, or repeal any of the mechanism or institutions already existing, or responsibilities already allocated or provided for under any existing laws, rule, or contract.

Section 13. Separability Clause

If for any reason that any section of this Policy is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 14. Effectivity

This Policy shall take effect upon its publication once in a newspaper of general circulation and filing with the Office of the National Administrative Register (ONAR)

Issued on _____ at the Philippine Economic Zone Authority at the City of Pasay.

07/18/2025
/gsr