**UPDATE on Midterm Review (MTR) Management Response and Plan**

Project Title: Development for Renewable Energy Applications

Mainstreaming and Market Sustainability (DREAMS)

UNDP Project ID (Output ID) #: 00088788

GEF Project ID (PMIS) #: 5194

MTR Mission Completion Date: 31 January 2020

Date of Submission of Final MTR Report: 23 June 2020

Date of Issue of Management Response: 10 July 2020

Date of Management Update/s: 31 March 2021 (First Update)

14 July 2021 (Second Update)

**Recommendations and management response**

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| **MTR recommendation 1:**  In the results framework of the project, include direct GHG emission reductions (total GHG emission reduction over the lifetime of the RE capacity created) as one of the Indicator.  It is recommended that the projected direct reduction in the emission of GHG, due to the project be taken in the results framework of the project as an additional Indicator (Indicator D) with its corresponding Target. The figures of the projected direct GHG emissions due to the project are already provided in the project document, but it has not been taken to the results framework as an indicator and the target.  As most of the direct GHG emission reduction would happen beyond the implementation timelines of the project, it would not be possible to monitor the achievement by measurement of the RE power generated. The monitoring of the achievement in this case may be done by estimating the ‘Capacity Utilization Factor (CUF)’ of the RE capacity created. |
| **Management response: ACCEPTED**  The 2,444ktones direct GHG emission reduction target over the lifetime of RE capacity created will be added as one of the indicators and it will be measured based on the estimated capacity utilization factor of the RE projects supported by the DREAMS Project. |

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| **Key action(s)** | **Due date of implementation [month, year]** | **Responsible unit(s)** | **Tracking** | | |
| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| Include the additional project indicator in the Annual Work Plans (AWPs) and Progress Reports. |  | PMU, IP, PSC, UNDP | July 2021 - Included in the 2021 Revised AWP  March 2021 - Following the approval of the request for project extension from July 2021 to January 2023 this March 2021, the Project has initiated the re-planning process and this additional indicator will be added to the revised 2021 AWP and succeeding AWPs. | **Ongoing-initiated** | **Completed** |

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| **MTR recommendation 2:**  In the results framework for the project, review the target value of the indicator “% share of RE in the power generation mix of the Philippines”.  The target value (35%) for the Indicator “% share of RE in the power generation mix of the Philippines” is a bit over ambitious.  As per the workings provided in the ‘Project Document’, in order to achieve the target, the total RE capacity addition required during the implementation timelines of the project would be 4866 MW. This is against the required total power generation capacity addition of 4275 MW during the same period. Thus, the entire electricity generation capacity addition required during the implementation period of the project would need to be essentially from renewable sources. This is not a practical thing to do, particularly considering that generally speaking RE is an intermittent source of power and needs to be supported by non-RE sources of supply to ensure continuous supply of electricity.  The project document itself has suggested (footnote 66 of project document) that this target should be reviewed during the project, to ensure it is commensurate with DOE’s targets which are reviewed annually. It is recommended that the target value for this Indicator be reviewed and if needed revised. |
| **Management response: ACCEPTED**  The indicator “% share of RE” is not appropriate indicator for the DREAMS Project. Increasing the supply of RE in the generation mix is an industry wide target. The US$1 Million facility to support new installations will hardly make a dent on the RE Mix during the lifetime of the project.  As of the end of 2019, the % share of RE installed capacity to the total installed capacity of the whole country is only 28.98% with a total installed capacity of 25,531 MW for the whole Philippines. Despite that the MW of RE installed capacity consistently increased annually from 2016 to 2019, the % share of RE installed capacity to the total installed capacity consistently decreased annually from 2016 (32.48%) to 2019 (28.98%).  While the DOE and the DREAMS Project continue to promote RE development in the country as mandated by the RE law, the additional capacities that will be installed will be driven by market demand, investment appetite, policy guidelines and maturity of RE technologies. Investments in RE has yet to be “de-risk” to encourage funding for new RE facilities like Ocean Technology and Geothermal Power.  Component 1 (Policy Support and Enforcement) and Component 3 (Capitalized RE Market) will contribute to this target of increasing RE Mix by installing platforms for the compliance of the mandated participants to use RE. One enterprise wide platform is the Philippine RE Management System (PREMS) that was installed through the DREAMS project in compliance with RE Market Rules under the RE Law. Similar IT-based solution will be designed this 2020 for the Green Energy Options Program and Green Energy Tariff and Auction Program.  The project completed the assessment the of National RE Program (NREP) 2011-2030. Currently, he NREP 2020 to 2040 is being prepared, and after public consultation will be approved by DOE. The IP will use this document to help guide and entice investors and developers to enter the RE market thereby leading to additional RE capacities that will be added in the power generation mix. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 2.1 Review of the indicator vis a vis with the National Renewable Energy Plan 2020 to 2040 | NLT 30th December 2021 | PMU, IP, PSC, UNDP | July 2021 – The PMU has submitted the post pubcon draft. Another public consultation is being planned this August due to the revisions in the strategies for the Green Energy Auction and RPS.  March 2021 - Completed public consultation of the Draft NREP 2020-2040, DOE approval was expected to be by June 2021. | **Ongoing-initiated** | **Ongoing-initiated** |
| 2.2 Support activities for full commercialization of the RE Market (training of participants, IEC) | October 2021 | PEMC, IP, PMU | July 2021 – The declaration of commercialization is moved to September 2021 pending compliance of some requirements for the declaration of commercial operation.  March 2021 - the June 2021 target for the full RE Market commercialization is on track.  July 2020 - Full RE Market commercialization was targeted June 2020 but will be moved to June 2021 due to the health quarantine, lock down of offices, etc. | **Ongoing-initiated** | **Ongoing-initiated** |
| 2.3 Complete the system stability test and turn-over of the PREMS to the DOE and the designated RE Registrar | October 2021 | PEMC, IP, PMU | July 2021 – parts of the system stability test were completed including the drafting of the BCP and DRP. Pending on the system stability is the travel mission of the International I.T. Expert which was supposed to happen in the fist half of the year but was moved due to restrictions on entry of foreign nationals due to the pandemic.  For the turn-over of the PREMS to the DOE, a TWG within the DOE was formed and have inspected the assets physically including the related documents to be turned over to DOE. Final Asset validation report is due NLT 30th July 2021.  May 2021- The Project Steering Committee approved the Usufruct Agreement that will guide the management of the PREMS by the RE Registrar. The UA will be submitted to for the approval of the Secretary once the ownership of PREMS asset is transferred from UNDP to DOE.  March 2021 - the TWG for the turnover of the PREMS assets to DOE was constituted and activated. The transfer is pending physical inventory of the TWG (delayed due to the pandemic). The final test/ validation of the International I.T. consultant was also delayed due to the pandemic. | **Ongoing-initiated** | **Ongoing-initiated** |
| 2.4 Study software/IT-based solutions for the Green Energy Tariff and Auction Program. |  | IP, PMU | March 2021 – the PMU completed and submitted the TOR in September 2020. The IP opted to do this activity with another development partner (USAID). Upon the request of USAID Consultants, the Project through its international I.T. expert provided comments on the technical aspects of the TOR developed by USAID.  July 2020 - TOR for development | **No longer applicable** | **N/A** |

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| **MTR recommendation 3:**  Extent the project implementation timelines by one year.  Actual implementation of the project started late (by about one year). Although, the implementation is happening as required, it would not be possible to complete some of the important activities within the remaining project implementation timelines, hampering the achievements of the project (e.g. Creation of the RE capacities). It is recommended that a no cost extension of one year be provided to the project. |
| **Management response**: **PARTIALLY ACCEPTED**  The project’s approval letter from UNDP was received by DOE on 17th May 2016. The letter stated that the official start of project implementation will be 2 months upon receipt of the said letter or 16th July 2016. The Project Management Office was installed at the Renewable Energy Management Bureau on 24th July 2017.  The MTR recommendation is to extend the timeline by one year or until 23 July 2022.  This recommendation was made prior to the global pandemic. On 16 March 2020, the Philippine government announced, a national health quarantine that led to the closure of public and private organizations. Skeletal work forces were allowed in mid-June 2020. The quarantine has since been extended until 15th July 2020 and may continue further.  The quarantine led to travel restrictions and shifted the focus of national government agencies and local government units to manage the pandemic. The DREAMS project locations, the provinces of Iloilo and Palawan, are both located outside of Luzon. All of the 13 project partners are local government units in these two provinces.  On February 2020, or a month before the quarantine, the Project Steering Committee (PSC) approved the 2020 AWP and budget. In response to the pandemic, the 2020 AWP and budget was revised and was approved in July 2020. A major budget item that has been affected by the quarantine is the mobilization of the US$ 1 million fund to provide technical assistance in local energy planning to local partners including the procurement of goods and services to install local RE projects. The conduct of resource assessments and feasibility studies with the assistance of the PMU and REMB has not yet been undertaken due to the travel restrictions. Efforts are being undertaken to tap the local energy experts to prepare the proposals that will access the RE support fund. There are however few local energy experts.  The Project also activated the Philippine RE Market System last December 2019. The full commercialization of the RE Market would have been completed on 20th June 2020. The designated RE registrar has already requested the DOE for a one (1) year extension to complete the training and registration of mandated participants in different parts of the country. The Project is scheduled to complete the System test by December 2020. This too is being studied since the UNDP International IT Consultant (based in Paris) may not be able to do the final system check in person.  It is anticipated, that even with the relaxation of quarantine protocols, some 4-5 months would still be needed to normalize the operations of partners’ in the field.  Given the delayed start of project implementation and the continuing and still uncertain effects of the Covid-19 pandemic on the project activities, the DOE requests for an additional 6 months project extension or a total of 18 months instead of 12 months as recommended in the MTR.  The proposed end of project, with no additional cost, will be on the 31st of December 2022 instead of 30th of June 2022. |

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| 3.1 Approval of request for project extension by the Project Steering Committee. |  | PMU, IP, PSC | On 18th May 2021, PSC was informed of the project extension from July 2021 to January 2023 | **Completed** | **NA** |
| 3.2 Submit the approved request for project extension to UNDP and GEF. |  | PMU, IP, UNDP |  | **Completed** | **NA** |
| 3.3. Conduct of re-planning subject to approval of request for extension. |  | IP, UNDP, GEF | July 2021 – The project extension work plan including the revised 2021 work plan was presented and approved by the Project Steering Committee las May 2021.  March 2021 – following the approval of the request for project extension, the PMU initiated the re-planning process. | **Ongoing-initiated** | **Completed** |

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| **MTR recommendation 4:**  Expedite the use of resources of the project for the creation of financial instruments.  Under outcome 4a, there is a provision for US$1 million to design financial instruments to facilitate funding of RE projects by the banks. Somehow, this provision could not be implemented till the time of MTR.  It is recommended that the available funds may be utilized in an expeditious manner. Some of the ways which are in line with the overall project objectives and outcomes in this regard are as follows:   1. Grant part capital subsidy for RE projects in non-viable/difficult areas established by private sector parties on competitive bidding basis invited by LGUs or Electric cooperatives 2. Provide part grants to LGUs (balance coming from LGUs) for establishing community managed small RE projects 3. Provide ‘interest rate drawdown support’ to the RE projects being established in difficult areas 4. Provide performance-based incentives (in terms of P/kWh) for RE based projects. The selection of projects to be supported maybe done while inviting the parties to establish RE based power projects 5. Available resources may also be used for some of the other appropriate measures to support overall objective of the project recommended under recommendations |
| **Management response**: **ACCEPTED**  The results of the study on the existing funds and investments for RE was presented to the IP and finally to the members of the Project Steering Committee on February 2020.  The findings showed the need to revise the modality in the use and disbursement of the $1M Project Preparatory Fund (PPF). The PPF based on project document was intended to be managed by a fund manager (financial institution) and will used to leverage other RE investments or allow LGUs to have access to other RE funds with other institutions.  Last February 2020, the Project Steering Committee approved the general principles for the utilization of the US$ 1M fund to support RE projects (coined as Support Facility for RE or SF4RE). First, the manner of utilization/disbursement must be compliant with UNDP Program and Procurement guidelines. Second, the PSC will be the collegial body that will decide on the use of the funds. Third, the fund will be used to provide technical assistance including goods and services for several clusters of RE initiatives that are along the priorities of the IP.  The implementing guidelines for the SF4RE was circulated last June 2020. This July 2020, a Call for Proposals will be made to approve at least US$600,000 to US$ 800,000 worth of proposals.    The SF4RE will support the following clusters of RE projects:   1. RE Policy Enabler - this supports mandated and voluntary organizations to comply with the provisions or participate in the implementation of a mechanisms of the RE Law like the Renewable Portfolio Standards (RPS), Green Energy Option Program (GEOP) and initiation or expansion of an existing Net Metering system. 2. RE Spark - this supports applications on the Productive Use of Renewable Energy (PURE) for the delivery of basic social services, e.g. potable water systems, health care or installation of RE-powered production or processing or post-harvest facilities specially in rural or off-grid areas. And supports prototyping or demonstration or piloting of new RE technologies or equipment. 3. RE Catalyst - this supports rehabilitation or expansion of micro-hydro power facilities, hybridization of diesel generation systems in missionary areas and RE projects that are encountering barriers in completing their project development. 4. Energy Access - this supports RE projects that facilitate the electrification of last-mile consumers and expanding micro-financing for small RE systems or PURE.   The recommended activities from the MTR may also be considered whenever applicable. |

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| 4.1 Approval of the use of the $1M fund |  | PMU, IP, PSC | The Support Facility was publicly launched in August 2020 with more than 70 participants from the RE industry and local partners. The first 3 projects were approved in November 2020. The PMU received 21 proposals with a combined value of more than PhP 300 million pesos. | **Completed** | **NA** |
| 4.2 Approval of the implementing guidelines for the $1M fund |  | PMU, IP, PSC, UNDP | Approved in February 2020 | **Completed** | **NA** |
| 4.3 Call for Proposals |  |  | Conducted from August-October 2020 | **Completed** | **NA** |
| 4.3Development of RE projects to be supported by the fund | Continuing up to March 2022 | PMU, IP | July 2021 - the PMU continues to screen and develop RE project proposals for the SF4RE and RE Models. The SF4RE Funds is now 80% committed.  March 2021 - the PMU continue to screen and develop RE project proposals until the fund ($1M) is fully committed. As of to date the project approved PhP23.7M worth of projects. Projects being screened are more than enough of the remaining fund.  Communications were sent to those that submitted proposals but were not considered due to failure to meet the criteria or were not priority areas of the SF4RE. | **Ongoing-initiated** | **Ongoing-initiated** |
| 4.4. Approval of RE projects to be supported by the fund | Continuing up to March 2022 | PMU, IP, PSC | July 2021 - the Project had already approved 8 RE projects and have committed 80% of the SF4RE funds.  March 2021 – the Project had approved 5 RE projects as of to date, with total approved funding amount of PhP23.7M. | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 5:**  Support creation of financial models and also studies to determine the cost of generation of electricity out of different RE resources.  Project document already has provision for these activities under Outcome 3 (Output 3.1, activity 3.1.3). The project team already has plans to carry out these activities. It is recommended that these activities may be carried out in expeditious manner to realize the benefits towards achieving the objective of the project.  One of the models which may be examined is the possibility of conversion of existing diesel-based standalone generators to RE-Diesel Hybrid. Financial feasibility study in this case would consider CAPEX as the cost of RE component, OPEX as 1% to 2.5% of CAPEX and Revenue is the Diesel Saved due to introduction of the RE component. Project may support development of standard simple Excel based financial model to support this. |
| **Management response**: **ACCEPTED**  The following studies will lead to creation of financial models and even integrate gender based strategies on RE Applications:   1. Micro-hydro power case studies (ongoing) 2. Feasibility Studies to implement a Net Zero Building with Mariano Marcos State University- agreement completed; procurement of specialist will be hired. 3. RE development plan for off-grid communities (included in the 2020 AWP)   The RE Projects to be supported by the Support Facility for RE ($1M fund) will also yield financial models in emerging applications like in the “Productive Use of Renewable Energy “(PURE). |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **13.07.2021** |
| 5.1 Integrate financial modeling studies to RE Projects to be supported and other technical studies to be conducted by the project whenever appropriate. | Continuing up to October 2022 | PMU, IP | July 2021 – the Net Zero study has been presented and reviewed by the IP. An investment forum will be conducted to show the financial models to attain a Net Zero for the consideration of investors.  Approved SF4RE projects are currently being installed. Financial models on Productive Use of RE (PURE) and Smart Grid HH Electrification will be prepared and learnings will be part of capacity building to be provided to the partner and beneficiaries.  March 2021 – Net Zero study is ongoing. Approved RE projects under the SF4RE are for implementation and study. | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 6:**  Develop and enforce performance standards for RE equipment (Solar PV, Wind turbines etc.) and components like inverters, meters, control systems. Support this initiative with the establishment of accredited testing facilities.  Enforcement of performance of standards will ensure that only equipment of good quality gets imported in the country. This over a period of time will increase the confidence level of the investors in the RE technology.  Project already have some provisions towards such activities under Outcome 1.5 (activities 1.5.2, 1.5.3, 1.5.4). It is recommended that implementation of these activities be expedited.  For the additional suggestion to support creation of an accredited testing facility some of the funds under recommendation 4 may also be utilized. Accredited lab may be established within an appropriate government/institution owned facility. |
| **Management response**: **ACCEPTED**  The development of standards is being done by the IP in partnership with other agencies.  The DREAMS project contributions will come from the on-going studies mentioned in Item 5 of the MTR.  Consultations with financial institutions and the members of Industry will also be conducted to encourage or de-risk investments for the those engaged in the manufacturing, assembly and fabrication of locally produced RE parts and equipment.  The establishment of accredited testing facilities will be explored with the Technical Education Development Authority (TESDA) and the Department of Trade and Industry (DTI) including Affiliated RE Centers (AREC) that are still operating. |

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| 6.1 RE Manufacturing study | NLT 30th October 2021 | PMU, IP | July 2021 – the study was completed in June 2021. A policy support document/ recommendation will be submitted to REMB  March 2021 – initial data gathering and FGD with stakeholders were completed. | **Ongoing-initiated** | **Completed** |
| 6.2 Coordination with TESDA, DTI and AREC |  | PMU | July 2021 – the project has coordinated with DOST PCIEERD and the Project Steering Committee have approved the partnership framework which includes the conduct of studies. The Project has also coordinated with TESDA and currently working with for the development of wind energy technician certification program.  March 2021 - the Project is currently in discussion with DOST-PCIEERD to conduct a study focusing on micro-hydropower plant value chain. | **Ongoing-initiated** | **Completed** |
| 6.3 Case study on Micro-hydro facilities |  | PMU | July 2021 – the Project had completed the 2 additional case studies from the Visayas. This will be edited and included in the Manual that will be printed.  March 2021 – the Project completed 3 case studies. Two (2) more case studies are currently ongoing. | **Ongoing-initiated** | **Completed** |

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| **MTR recommendation 7:**  For work plan pick activities from the project document  Some of the activities provided in the project design has not been taken up in the workplans. MTR team is of the view that one of the reasons for this is that while preparing the workplans, the activities mentioned in the ‘Project Document’ are not referred. Thus, implementation of many activities which are required as per ‘Project Document’ don’t get included in the work plan and hence doesn’t get carried out.  It is recommended that while preparing the workplans and budget, a reference from the activities provided in the Project Design maybe drawn. This will ensure that any activity specified in the Project Design does not get missed out due to oversight. | | | | | |
| Management response: Partially Accepted  The activities approved by the PSC in the annual work plan (AWP) springs from the 2016 project document and are constantly harmonized with the priorities of DOE and the RE Industry as a whole. Inputs for example are received from the National RE Board (NREB) and individual members of the PSC.  While activities for the year may not exactly match what was in the project document, the desired project outcomes and outputs will still be attained. The budget allocations per component have also been unchanged.  A stock-taking exercise and consultations with units of the IP was conducted by the PMU from August-September 2017. From the time the project document was crafted in 2015 and its approval in 2016 and implementation in 2017, some activities mentioned in the project document are either completed or being done by the IP or its other partners.  On November 2017, the IP conducted an inception planning to determine which of the activities in the 2016 project documents will still be pursued and what new activities will be started. A copy was provided to the MTR consultants.  For example, the development of a training module and a certificate program for solar technicians was to be undertaken by another DOE project (NAMA Facility). Grid and net metering studies have already been started by another development organization. The passage of guidelines on RPS has been completed. The 4 companies whose RE projects were to be expedited through the DREAMS project have either completed their projects or have ceased operation. A RE data base, which was mentioned in the 2016 document as existing, was not actually completed by a previous project.  A study also showed that the Affiliated RE Centers and Market Service Centers, with whom the project was to link with, were not anymore operational. The IP ceased providing support these ARECs at the time the project was starting. But in 2019, the IP passed a new order to provide support to the ARECs again. Thus, in 2020, the project moved on to work with an existing AREC in one of its project sites.  The passage of the RE implementing mechanisms like the Green Energy Option Program and RE Market Rules and the proposed circular on Green Energy Tariff Program may lead to new activities that were not in the work plan but will contribute to Components 1 and 4. The 10th year anniversary of the passage of the 2008 RE Law was an opportunity that the DREAMS project took. Thus, the project produced and published the 10 year accomplishment report of the RE Law.  The Local RE Planning process and collaboration with Electric Cooperatives and promoting the use of Productive Uses of RE, and establishment of data warehouse on RE and management information system for the IP were all not part of the 2016 project document. But, these activities are being undertaken as part of “adaptive management” strategy prescribed by the DREAMS Project Document.  The project maintains its flexibility in its activities bearing in mind the desired outcome and output indicators. | | | | | |
| **Key action(s)** | **Due date of implementation [month, year]** | **Responsible unit(s)** | **Tracking** | | |
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| 7.1 Review the status and validity of the project activities stated in the Project Document and the Inception Plan and update the project activities needed vis a vis with the project objectives, outputs and outcomes, and with REMB-DOE priorities based on its NREP 2020 to 2040 |  | PMU, IP | March 2021 – the project reviewed the project activities and submitted a revised work program to support the request for project extension. | **Completed** | **NA** |

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| **MTR recommendation 8:**  Communication regarding the upcoming policy instrument for RE promotion.  It is recommended that in order to increase the awareness amongst stakeholders, the project may come out with simple communication products (e.g. newspaper articles, communication in magazine of trade associations, online media) informing the changing landscape for doing business in the power sector in general and in the RE space in particular. |
| Management response: ACCEPTED  The DREAMS project supports public consultations related to the enactment of the implementing mechanisms of the RE law. Once the guideline on the mechanism is passed, the dissemination of the guideline is done via regional and national workshops/fora.  Upon the request of the IP, specific IEC materials are being produced.  Recently completed publications are:   1. RE Decade Report 2008-2018 (print): Accomplishment Report of RA 9513 2. Report on the status of the implementation of the RE Act of 2008 for the period covering January 2018 to December 2018 (print) 3. DREAMS Project brochures featuring RE Act and RE stakeholders (print)   For Printing:   1. Compendium of RE law Guidelines, Rule and Resolutions covering the period 2008-2019 (print) – final review is ongoing, for printing and distribution. 2. Omnibus guidelines (Omnibus) on awarding and administration of RE Service Contracts (print and avp) – being finalized, for final review, printing and distribution. 3. Updated Guidebook on Micro-hydropower Plant Development – ongoing.   This 2020, the DREAMS project would develop a communication strategy, or “Branding Strategy” for the continuing and creative promotion of RE in the country. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 8.1 Compendium of RE laws |  | PMU, IP |  | **Completed** | **NA** |
| 8.2 Omnibus – AVP |  | PMU, IP |  | **Completed** | **NA** |
| 8.3 Omnibus - Print |  | PMU, IP | July 2021 - the draft Ready to Print copy was completed but final printing was withheld by the IP. Revisions on the guidelines are being made by the IP.  March 2021 – the printing is/ will be delayed due pending revision of the guidelines where in substantial revisions will be made. | **Ongoing-initiated** | **Completed** |
| 8.4 Micro-hydro | October 2021 | PMU, IP | July 2021 – approved but pending inclusion of the additional case studies from Visayas and final lay-out.  March 2021 – pending approval of the DOE of the final draft | **Ongoing-initiated** | **Ongoing-initiated** |
| 8.5 Development and Implementation of a RE Communication/ Branding Strategy | December 2021 | PMU, IP | July 2021 – the communication specialist that will assist on the development of the communication strategy was hired.  March 2021 – the TOR is currently being reviewed/ updated following the delay in the completion of the procurement process. The old TOR has to be revised as some target activities have been done by the IP.  July 2020 - TOR for Communication Specialist being developed | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 9:**  Study regarding the potential demand for RE under the RE portfolio standards and the corresponding supply of RE for the compliance market to see the gap in demand and supply over a period of time.  The study may include an exercise to determine the likely price band for Green Energy Certificates.  Examine the possibility to come out with regulations regarding ‘Floor Price’ and a ‘Cap Price’ for Green Energy Certificates. |
| Management response: ACCEPTED  The projection on the demand and supply of RE including the RPS projection are part of the revised National RE Program (2020-2040) currently being prepared by DOE and being assisted by the DREAMS Project. The NREP 2020-2040 is targeted to be released within the year.  Based on the REM rules approved by the DOE, the cap price for the RECs will be determined by the Energy Regulation Commission (ERC). A REC pricing study was recently conducted by the National RE Board and the result of the study was submitted to DOE for review and possible endorsement to ERC for consideration. |

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| 9.1 Preparation of NREP 2020-2040 | December 30 2021 |  | July 2021 – The NREP 2020-2040 is still being finalize and expected to be approved by before the end of December 2021. (see Item 2.1)  March 2021 – completed the public consultation of the Draft NREP 2020-2040. The DOE is expected to approve it by June 2021. | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 10:**  Capacity building of private sector investors, RE equipment manufacturers and banks regarding the opportunities available under the RE portfolio standards and RE Certificates regime.  Utilize the results of recommendation 5 and recommendation 9 to inform the prospective private sector investors regarding the opportunities available for the RE business under the new policy regime for the RE sector. |
| Management response: ACCEPTED  IECs on the REM and PREMS are being conducted by PEMC and back to back with the IECs of DOE’s on the RPS for mandated participants. Current IECs are conducted online due to the Covid-19 pandemic. The registration of participants for the RPS and REM was affected by the pandemic which resulted to slow/ delayed registration of participants. The DREAMS project is collaborating with PEMC on how to increase and fast-tract the registration. The PEMC is also developing an AVP materials for the REM/RPS/PREMS.  The DREAMS project will collaborate with DOE Investment Promotion Office on RE promotions to private investors and banks. |

| **Key action(s)** | **Due date of implementation [month, year]** | **Responsible unit(s)** | **Tracking** | | |
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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 10.1 RE Promotions to private investors and banks |  | PMU, IP | July 2021 – the Project had presented in 3 different forums (E-Power Mo Investment Promotion IEC, PEPSI Cola University Webinar on SDG 7 and South East Asia Regional Agricultural Consortium) to promote RE for rural areas.  March 2021 - a training needs assessment on level of skills and understanding on RE policies and technologies of 9 electric cooperatives in the Visayas region was completed. The planned on-site training to be given by REMB based on the results of it was postponed due to travel restrictions. Also, poor wifi connectivity and absence of suitable training materials for on-line sessions will not guarantee quality training. | **Ongoing-initiated** | **Completed** |

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| **MTR recommendation 11:**  In the guidelines by DOE for competitive bidding there should be directive to procure separate quantities for RE and for fossil-fuel based power.  With the RPS in force, the electric co-operative/distribution utilities would need to attempt procuring a part of the electricity from RE sources.  From time to time depending upon the expected demand for electricity, the electric co-operatives invite the competitive bids for procurement of power. It is recommended that while inviting the bids there should be separate quantity mentioned for RE sources and the evaluation of bids for RE part of the quantity should be done separately. |
| Management response: ACCEPTED  The DREAMS project is working with the Palawan Electric Cooperative, Iloilo Electric Cooperative III and the Federation of Electric Cooperatives in Region 8.  Electric cooperatives and distribution utilities are mandated to procure their power supply under Competitive Section Process (CSP). Under section 8.4.1.3 of the existing CSP guidelines (DC 2018-02-0003), the TOR for the power purchase may specifically state the preferred technology provided that the justification for such preference is indicated (e.g. RE for RPS compliance requirement).  The existing CSP guidelines provides selection for preferred technology.  The partner cooperatives will be provided guidance and technical assistance through the REMB. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 11.1 Ensure that the partner cooperatives are aware of the CSP and are complying with other implementing mechanisms of the RE law | Continuing up to October 2022 | PMU, IP | July 2021 - the Project recently facilitated the discussion between Iloilo 3 Electric Cooperative and Electric Power Industry Management Bureau as to the CSP, NPP and QTP concerns of the former. The Project continue to ensure awareness of partners through the LREP and SF4RE of the Project.  March 2021 – the Project continues to ensure awareness of partner cooperatives through the Localized RE Planning (LREP) Process and the Support Facility for RE (SF4RE) of the Project. | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 12:**  Introduce training modules on RE in the Industrial training institutes.  Under outcome 4a, one of the targets is to ensure sufficient availability of certified technicians for RE. It is recommended that a RE specific training module be introduced in a some of the existing modules of TESDA and be available as a regularly course offered. |
| Management response: Accepted  The 2020 AWP will continue to develop the RE Technician Certification. A review existing of certifications, guidelines, standards and modules will be conducted.  However, related to item 7, the certification program may also be developed in partnership with other institutions, not only TESDA, like AREC and technical schools and the Mariano Marcos State University that has an earlier and similar certification program. REMB also provides certification to the technicians they train, e.g. solar training.  A training need assessment is being conducted with 11 cooperatives. The TNA will be the basis for an on-line training course to be handled by the REMB. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 12.1 Review of existing certifications, guidelines, standards and modules and training needs assessment |  | PMU, IP | March 2021 – completed TNA of 9 electric cooperatives (see comment in # 10.1). The Project is also currently collaborating with the Solar and Wind Energy Management Division (SWEMD)and TESDA for a certification program for wind energy technicians. | **Completed** | **NA** |
| 12.2 Updating/ development of training modules and trial training (on a specific topic, e.g. solar PV installations) | March 2022 | PMU, IP | July 2021 - the guidelines for the development and management of micro-hydropower plant (MHP) which includes a training module was approved by DOE. Rollout in partner LGUs to follow.  March 2021 – subject to approval of the DOE, the project completed a training module for the development and management of micro-hydropower plant. Rollout of the training is on the 2nd half of 2021 (online/ face-to-face). | **Ongoing-initiated** | **Ongoing-initiated** |
| 12.3 Technician training and certification | June 2022 | PMU, IP | July 2021 - The Project is supporting TEDSA and SWEMD on developing a certification program for wind energy, TNA was completed which the Project has participated. The training module for the development and management of MHP was approved, training rollout to follow.  March 2021 – the Project is currently working with SWEMD for certification of its wind energy experts. The first trainings for micro-hydropower plant technicians will done before end of 2021. At least 3 trainings will be conducted with ECs and LGUs with MHP facilities. | **Ongoing-initiated** | **Ongoing-initiated** |
| 12.4. Mainstreaming to training institutions | June 2022 | PMU, IP | July 2021 - see above comment on collaboration with TESDA and SWEMD for the wind energy certification program.  March 2021 - the Project is currently collaborating with SWEMD and TESDA for a certification program for wind energy technicians. Completed FGD on TNA with TESDA, SWEMD and Wind Power Developers. | **Ongoing-initiated** | **Ongoing-initiated** |

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| **MTR recommendation 13:**  Facilitate the capacity building assistance to the LGUs in harmonizing the energy components (with RE applications) of Local Development plans (Comprehensive Development Plans, Annual Investment Plans and Comprehensive Land Use Plans).  The local development plans of provinces (Iloilo and Palawan) and municipal level LGUs lacks details in the energy sector application of renewable energy. The local planning process feeds into the Regional Development Plan that incorporates the local energy plans. Technical Assistance inputs needs to be mobilized to assist the LGUs (provincial and municipal) through a participatory approach in developing their local energy plans.  Review and streamline the process and develop guidelines on the local energy planning that will be incorporated the HLURB local planning guidelines. |
| **Management response**: **ACCEPTED**  The capacity building program for LGUs including Electric Cooperatives has been initiated in 2018. The MTR described these activities in section 5.1.1 of the MTR. The activities resulted to the formation of 7 RE Expert Groups (REEG) in 7 LGU partners in Palawan and Iloilo. The REEG will serve as focal points for RE development in their localities and lead in the formulation of local ordinances and resolutions promoting RE development.  The DILG and DOE issued a Joint Memorandum Circular (JMC 2020-01) dated 30 April 2020 for LGUs to facilitate the implementation of energy projects. A JMC between these agencies has been brought up by the PMU at the PSC. The template documents for the formation of Local Energy Planning units and passage of Local Energy Policies were also shared with other concerned units of the IP. Under section 5.1 of the circular, the LGUs, through its LDC, shall activate the Energy Sector Committee (ESC) to implement this circular which incorporates the energy programs, policies and projects into the spatial plan (Physical Framework Plan or Comprehensive Land Use Plan, whichever is applicable) and its comprehensive development plan.  The REEGs are expected to be subsumed or integrated to the ESC pursuant to JMC 2020-01 of DILG and DOE. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **14.07.2021** |
| 13.1 Assistance to the Iloilo Province to develop a RE Plan | October 2021 | PMU, IP | July 2021 - the firm that will provide the TA was contracted and the development of the RE plan is currently ongoing.  March 2021 – the Project had completed evaluating 2 qualified applicants (firms) to provide TA to the Provincial Government of Iloilo, for contracting/ awarding this April 2021. | **Ongoing-initiated** | **Ongoing-initiated** |
| 13.2 Assistance to the Iloilo Electric Cooperative (ILECO 3) on their Total Electrification Master Plan using RE sources | March 2022 | PMU, IP | July 2021 – the project facilitated the discussion between ILECO 3 and NPC as to the power development in Gigantes island. The Project will assist ILECO 3 on developing an RE model project for the island.  March 2021 – the energy expert hired by the project completed more than 5 RE project proposals that may contribute to ILECO 3 total electrification master plan (TEMP). The output on 13.1 may also serve as key input to TEMB of ECs in Iloilo.  July 2020 - Energy experts procured; field consultations on-going. | **Ongoing-initiated** | **Ongoing-initiated** |
| 13.3 Assistance to the Palawan Electric Cooperative (PALECO) with the Provincial Government of on their Total Electrification Master Plan using RE sources | September 2022 | PMU, IP | July 2021 – using the aligned data, PALECO has submitted 1 local RE proposal and will submit a second proposal NLT 30th December 2021. The EC will continue to develop and submit RE project proposals to other donors and investors.  March 2021 – to be included in re-planning process.  July 2020 - Data alignment completed; field validation on-going; Energy expert to be procured. | **Ongoing-initiated** | **Completed** |

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| **MTR recommendation 14:**  Capacity building of regulatory authorities   * Study tour based on opportunities to participate in international workshops (separately for higher official and for managerial level officials) * Consultancy for International Best Practices and case studies provided under dedicated sessions by the consultants |
| **Management response**: **ACCEPTED**  In 2019, the facilitated and supported the conduct of an international consultation to help the DOE, ERC and PEMC in the development of the RE Market in the Philippines including the management of the RE Registrar. The technical consultation with REM stakeholders was held in California, USA.  The 2020 AWP includes capacity building for executive and technical staff of the IP. The areas include emerging technologies like Ocean technology and strengthening the RE Market. Alternative modalities (e.g. online) will be considered due to the pandemic.  To broaden the sharing of knowledge and capacities UNDP may sponsor South-South Dialogues on emerging RE policies, and technologies off grid solutions, community-based net-metering, PURE, etc. The training support will also be extended to partner Electric Cooperatives. |

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| **Comments** | **Status**  **31.03.2021** | **Status**  **13.07.2021** |
| 14.1 Selection of course/ program and modality and sharing of available courses to local partners |  | PMU | July 2021 – the project shared available online courses/ program to local EC Partners in Region 8, Iloilo and Palawan.  March 2021 – the Project is currently working with SWEMD for certification of its wind energy experts. Completed FGD on TNA with TESDA, SWEMD and Wind Power Developers. | **Ongoing-initiated** | **Completed** |
| 14.2 Training needs assessment of engineers from 8 Electric Cooperatives in Region 8 |  | PMU | March 2021 - See comment # 10.1. Follow-up is needed for the conduct of training on preparation of RE project proposals and other RE policies. | **Completed** | **NA** |
| 14.3 On-line training (trial of modules, see item 12.2) | December 2021 | PMU | July 2021 – MHP training module was completed, rollout to follow. One training is planned before the end of 2021 and 2 more until middle of 2022  March 2021 - to be included in the re-planning process. | **To be initiated** | **To be initiated** |