

Project Title : **PNOC BATANGAS LIQUEFIED  
NATURAL GAS (LNG) HUB PROJECT**

Project Location : Mabini, Batangas (Tentative)

Nature of Project : Complete Value Chain LNG

Facility Implementing Agency: PNOC

**Project Description:**

The PNOC, as the corporate arm of the Department of Energy (DOE), has steadily taken action towards the performance and attainment of the Department’s mandate, that is, for PNOC to spearhead the development of energy infrastructure for liquefied natural gas (LNG). To attain this vision and direction, the project, known as the “PNOC Batangas Liquefied Natural Gas (LNG) Hub Project,” was conceptualized.

The Project is a complete value chain LNG facility to be used to receive, store, regasify, and distribute imported LNG, and at the same time facilitate the withdrawal of banked gas owned by PNOC from the Malampaya gas field. With a complete LNG facility, it is aimed at contributing to the economic growth of the country by providing a dependable, sustainable and efficient source of energy. This will fill the gap in addressing the lost energy capacity from the Malampaya gas field when SC 38 expires in 2024 and if and when the Malampaya gas is depleted.

Initially, PNOC’s proposed implementation for the project is Government to Government (G-to-G) modality. With keen interest of the private sector, PNOC later on adopted the unsolicited proposal scheme under the 2013 Revised NEDA Joint Venture Guidelines and the Build-Operate-Transfer (BOT) Law. This however did not materialize since proposals received under this scheme were non-compliant with the PNOC-approved qualification criteria, requirements under BOT Law and/or NEDA JV guidelines, or due to incompleteness of proposals.

PNOC then decided to conduct a solicited competitive tender under NEDA’s Revised Guidelines and Procedures for Entering into Joint Venture Agreements between Government and Private Entities to select the JV partner that will develop the project with PNOC. However, in January 2019, due to the impending DOE issuance of Notice to Proceed to private-led LNG project/s, the PNOC Board directed the management to conclude and terminate all activities in relation to the Competitive Selection of the Joint Venture Development partner for the project but without prejudice to exploration of new opportunities in the LNG value chain in light of current developments and business prospects available that are still timely and deemed feasible for PNOC’s participation.

**Status as of March 31, 2020**

PNOC remains active in studying any possible investment opportunities in the LNG industry. It has entered into non-binding collaborations with companies from the private sector to

explore and discuss business opportunities and cooperation in LNG and other related projects.

Project Title : **MONETIZATION OF PNOC BANKED GAS**

Project Location :

Nature of Project : Sale of the Remaining Volume of Banked Gas

Implementing Agency : PNOC

**Project Description:**

Banked gas is the accumulated unused gas of the Ilijan Power Plant, amounting to 108.6 Petajoules, as a result of the underutilization of the plant's Take-or-Pay quantity (TOPQ) within the period 2002 to 2007. Under TOP, a fixed quantity of gas is being paid for by the power plant every year, whether they use the gas or not. The banked gas was originally paid for by the Government of the Philippines (GOP), through the Net Government Share, in assistance to the National Power Corporation, then owner of the Ilijan Power Plant, to satisfy the plant's TOPQ provisions of their GSPA with the Service Contract Number 38 (SC38) Consortium. In September 2009, PNOC purchased from the DOE all the rights, benefits and entitlements of the banked gas.

Currently, the remaining volume of banked gas is equivalent to 97.67 PJ since Power Sector Assets and Liabilities Management Corporation (PSALM) withdrew 4.61 PJ in 2013 for the Ilijan power plant and another portion, equivalent to 6.324 PJ, was contracted to Pilipinas Shell Petroleum Corporation (PSPC) in 2014 for its Tabangao Refinery.

**Project Status as of March 31, 2020:**

PNOC constantly holds discussion with parties who signified interest to buy the banked gas.