



26 APRIL 2024

OLIVER B. BUTALID
President and Chief Executive Officer
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
 PNOC Building 6, Energy Center, Rizal Drive, Bonifacio Global City Taguig City

ACKNOWLEDGEMENT RECEIPT

LETTER **18 APRIL 2024**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF ITS 1ST QUARTER MONITORING REPORT OF PERFORMANCE TARGET FOR CY 2024**

The said document was officially received by the Governance Commission on 26 April 2024 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 5328-2030 or (02) 5318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-1015-26-04-2024-010514.**

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

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Date and Time

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April 18, 2024

ATTY. MARIUS P. CORPUS

Chairperson

ATTY. BRIAN KEITH F. HOSAKA

Commissioner

ATTY. GERALDINE MARIE BERBERABE-MARTINEZ

Commissioner

Governance Commission for GOCCs
3/F BDO Paseo Towers (Formerly Citibank Centre),
Paseo de Roxas Avenue, Makati City

Dear Chairperson and Commissioners:

We are pleased to submit PNOC's 1st Quarter Monitoring Report of Performance Targets for CY 2024.

We hope you find our submitted documents in order. Our focal person for your staff to coordinate with should you have any questions, clarifications or need additional information, is Ms. Alma B. Taganas, Manager of the Strategy Management Office (email: abtaganas@pnoc.com.ph).

Thank you.

Very truly yours,



OLIVER. B. BUTALID

President and Chief Executive Officer

**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2024 PERFORMANCE TARGETS
FIRST QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Approved Target	1st Quarter		2nd Quarter	3rd Quarter	4th Quarter
					2024	Target	Actual	Target	Target	Target
U D S	SO 1 Provide Strategic Support to the Energy Sector									
	SM 1 Retail Electricity Supplier	Actual Accomplishment	5%	All or Nothing	Secure Retail Electricity Supplier (RES) License	Capacity building on RES	Conducted capacity building activities with subject matter experts regarding the registration and operation of PNOC as a RES.	Coordination with ERC to secure RES license	Secure RES license	
		Actual Accomplishment	10%	All or Nothing	MOU with Identified Government Agencies for an Aggregate 10 MW Electricity Demand	Coordination with various government agencies for the electricity demand aggregation Sent letters and conducted coordination meetings with government entities such as AFP, PAF and DENR. See Annex A	Conducted an ocular inspection on the existing meters and submeters within the Energy Center Compound, where not only PNOC, but other agencies, such as the DOE are located.	Preparation of MOU/MOA with government agencies	Signing of MOU with an identified government agencies for a 10 MW electricity demand aggregation	Coordination with Generation Companies for the purchase of electricity supply
	SO 2 Develop Sustainable Business Models for the Underserved Renewable Energy Market									
	SM 2 Electric Vehicle Fast Charging Station	Actual Accomplishment	10%	All or Nothing	Business Plan that covers at least 10 Tourist Destinations	Detailed profile of 5 locations	Prepared initial project studies, site selection criteria for the installation and operation of EVCSs and shortlist of PNOC properties where EVCS can viably installed, based on the identified site selection criteria and other parameters. See Annex B	Detailed profile of next 5 locations	Preparation of Business Plan	Board-approved Investment-ready Business Plan

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					2024	Target	Actual	Target	Target	Target	
	SM 3	Rooftop Solar PV System for Government Entities	Actual Accomplishment	25%	Actual over Target	Signed MOA with Government Agencies for an Aggregate Capacity of 5 MW	Engagement meetings and presentations with government agencies	Conducted desktop assessments of candidate buildings for rooftop solar PV installation within the LBRDC Special Economic Zone (SEZ), UP campuses and Cavite WDs under DENR using google earth pro and PVSyst software. Conducted site assessment at the LBRDC SEZ in Caloocan City, Metro Manila.	Preparation and signing of MOU with government agencies	Preparation and signing of MOA with government agencies	Procurement of EPCC Contractors/ private ESCO for implementation
	SO 3	Broaden Public Support for the Renewable Energy Agenda									
	SO 4	Provide Quality Service to PNOC's Customers									
CUSTOMERS/STAKEHOLDERS	SM 4	Percentage of Satisfied Customers/Clients Based on the Results of the PNOC ARTA Client Satisfaction Measurement Surveys	Number of satisfied clients over Total number of clients [No. of Strongly Agree plus Agree Answers over Total No. of Respondents minus No. of "NA" answers]	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers ¹	Consolidation of CSM Surveys for 1st Quarter	Consolidated the CSM Surveys for 1st Quarter The Overall Rating for PNOC ARTA CSM Surveys is 98.08% See Annex C	Consolidation of CSM Surveys for 2nd Quarter	Consolidation of CSM Surveys for 3rd Quarter	Consolidation of CSM Surveys for 4th Quarter Conduct of Analysis of the Results of CSM Surveys CSM Report Preparation, Approval and Submission to ARTA
	SO 5	Streamline Key Business Processes While Strengthening Internal Controls									
ES	SM 5	Pass Certification - ISO 9001:2015 Quality Management Systems for PNOC Head Office	Actual Accomplishment	5%	All or Nothing	Pass 1st Surveillance Audit		-	Conduct of Document Review Conduct of Internal Quality Audit	Conduct of Management Review Conduct of 1st Surveillance Audit	Issuance of Attestation by Certifying Body

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						2024	Target	Actual	Target	Target	Target
INTERNAL PROCESS	SM 6	Implementation of PNOC Information Systems Strategic Plan (ISSP)	Actual Accomplishment	5%	Actual over Target	Awarded Contract for the Development and Implementation of 2 Systems (PIMS and CAS)	Completion and approval of the TOR for PIMS & CAS	Drafted TORs on Computerized Accounting System (CAS) and Asset Inventory Management System (AIMS) for submission to PCEO See Annex D	Procurement of 3rd-Party Solution Provider for PIMS & CAS	Signing of Project Contract with the 3rd-Party Solution Provider for PIMS & CAS	Kick-off/Start of contract implementation for PIMS & CAS
	SO 6	Launch a Focused Productivity Improvement Program									
	SO 7	Institutionalize Digital Transformation in all Key Business Processes									
SO 8 Attract and Retain the Best Talent Suited for PNOC's Mission											
LEARNING & GROWTH	SM 7	Percentage of Employees with Required Competencies Met	Number of Employees with Required Competencies Met over Total Number of Employees	5%	All or Nothing	Increase from 2023 Baseline	Re-iterate compliance to the policy of prioritizing attendance to training that will address gaps or those indicated in their Individual Development Plan (IDP) Submit the 1st Quarter Summary of Employees Competency Gap Monitoring Report (ECGMR)	Submitted Summary Competency Monitoring Report for Q1 2024. Based on the report, 2 additional employees met their required competencies vis-à-vis position held as reflected in the attached Training Effectiveness Monitoring Assessment, ECA and Competency Networking Collaboration Report. See Annex E	Submit the 2nd Quarter Summary of Employees Competency Gap Monitoring Report (ECGMR) Remind employees with competency gaps, and email training or seminar invites offered by training providers relevant to addressing their competency gaps or complying their IDP requirements	Submit the 3rd Quarter Summary of ECGMR Continue sending emails to employees training or seminar invites offered by training providers relevant to addressing their competency gaps or complying with their IDP requirements	Submit the 4th Quarter Summary of ECGMR, and Summary of Employee Baseline Competency Report Submit to SMO the 4th Quarter ECGMR in January 2025
	SO 9	Encourage a Continuous Learning Culture Among PNOC Employees									
	SO 10	Establish a Fair and Transparent Performance Targeting and Reward System									
SO 11 Optimize Strategic Assets to Improve Income Stream											

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						2024	Target	Actual	Target	Target	Target
FINANCIAL	SM 8	Disposal of Banked Gas	Actual Accomplishment	10%	Actual Over Target	Delivery of 1.30 PJ of Banked Gas	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirements to DOE	Submitted delivery reports to DOE (January to March 2024) Delivered a total of 2.18 PJ (Covering a period of 26 Dec. 2023 to 25 March 2024) See Annex F	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirements to DOE	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirements to DOE	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirements to DOE
	SO 12	Mobilize the Resources of Like-Minded Entities in Attaining our Goals									
	SO 13	Exercise Prudence in Public Fund Expenditure									
FINANCIAL	SM 9	Budget Utilization Rate	Actual Disbursement over Total Approved Budget for CO and MOOE	5%	Actual Over Target	90%		CO = 10.06% MOOE= 8.49% Total: 9.54% See Annex G			90%
	SM 10	Operating Profit Margin	Total Revenues Less Operating Expenses (PS and MOOE) over Total Revenues <i>(Note: Total Revenue excludes Petron Lease, Sale of Banked Gas, Interest Income, FOREX Gain, Dividend Income, and Non-cash Items)</i>	10%	Actual over Target	10%		PNOC has a Negative Operating Profit Margin of -10.49% (as of February 29, 2024) See Annex H			10%
		Total Weight			100%						

¹ Based on GCG-ARTA Joint MC No. 1, s. 2023. Covers external customers only