

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
JV Partners and Percent Equity	:	None at the moment

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. With a complete LNG facility, it is aimed at contributing to the economic growth and energy security of the country while promoting low carbon future by providing cleaner, 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. This will likewise encourage investment in related infrastructure and facilities to further develop the natural gas and LNG industry in the country. And hopefully in the future, the country will develop to become an international hub for LNG trading given its strategic location in Asia and the world.

Project Status as of August 2018:

The unsolicited proposals scheme based on the Build-Operate-Transfer (BOT) Law and 2013 Revised NEDA Joint Venture Guidelines, which was adopted by PNOC, turned out to be unsuccessful. All eight unsolicited proposals as evaluated by PNOC with the assistance from the Asian Development Bank (ADB), the company's transaction advisor for the project, were rejected either due to non-compliance to the rules under the BOT Law and NEDA JV Guidelines or due to incompleteness of proposals.

In view of the above, PNOC will now adopt the solicited process of accepting proposals for the implementation of the LNG Project. PNOC is currently in the process of preparing the preliminary feasibility study for the Project, with assistance from ADB.

Project Title	:	MONETIZATION OF PNOC BANKED GAS
Project Location	:	
Nature of Project	:	Sale of the Remaining Banked Gas Volume
Implementing Agency	:	PNOC
JV Partners and Percent Equity	:	None at the moment

Project Description:

Banked gas is the accumulated unused gas by the Ilijan Power Plant (owned by Napocor/PSALM), which has an existing Gas Sale and Purchase Agreement (GSPA) with the SC38 consortium that is subjected to a take-or-pay (TOP) provision. 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 Department of Energy (DOE) is subrogated to all the rights and entitlements of the banked gas. In September 2009, PNOC purchased from the DOE all the rights, benefits and entitlements of the banked gas worth 108.6 Petajoules.

Currently, the total volume of the PNOC banked gas is equivalent to 97.67 PJ since it was able to sell 4.61 PJ to PSALM in 2013 and another portion, equivalent to 6.324 PJ was sold to Pilipinas Shell Corporation (PSPC) in 2014. PSPC started withdrawing from the banked gas since 01 June 2018, which will continue until 23 February 2024.

PNOC is currently selling the remaining 97.67 PJ of banked gas.

Project Status as of August 2018:

In April 2018, the Banked Disposal Committee was activated pursuant to the Guidelines on the sale of Banked Gas issued by the DOE. The task of the Banked Gas Disposal Committee is to assist the PNOC Board in complying with the provisions of the Guidelines and in the preparation of the Terms of Reference for the sale.

As of August 2018, the sale of the PNOC Banked Gas has already been advertised to newspapers of general circulation and letters of invitation to submit offers were sent to potential offtakers.