



Office of the President of the Philippines
GOVERNANCE COMMISSION
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
 3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226



30 JULY 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 **19 JULY 2024**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG SUBMITTING ITS 2ND
 QUARTER MONITORING REPORT FOR THE CY 2024
 PERFORMANCE SCORECARD**

The said document was officially received by the Governance Commission on 30 July 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: **0-1010-30-07-2024-018676**.

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Received by:

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Date and Time

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July 19, 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 2nd 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
SECOND QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Approved Target	1st Quarter	2nd Quarter		3rd Quarter	4th Quarter	
					2024	Actual	Target	Actual	Target	Target	
CUSTOMERS/STAKEHOLDERS	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	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	Conducted coordination meetings with ERC Retail Market Division of Market Operation Services to clarify requirements for RES License applications on April 11 and June 18, 2024. Prepared and consolidated the documentary requirements (legal, technical and financial) for RES License application to ERC. Submitted all documentry requirements for PNOC's RES License application to ERC on June 25, 2024. See Annex A	Secure RES license	
			Actual Accomplishment	10%	All or Nothing	MOU with Identified Government Agencies for an Aggregate 10 MW Electricity Demand	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. Sent letters and conducted coordination meetings with government entities such as AFP, PAF and DENR.	Preparation of MOU/MOA with government agencies	Conducted exploratory meetings and presented PNOC RES Business framework to shortlisted potential Government Agency customers (i.e. LBP, MMDA)	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									

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						2024	Actual	Target	Actual	Target	Target	
	SM 2	Electric Vehicle Fast Charging Station (EVCS)	Actual Accomplishment	10%	All or Nothing	Business Plan that covers at least 10 Tourist Destinations	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.	Detailed profile of next 5 locations	Identified five (5) locations as potential sites for EVCS and developed detailed profiles for each location. Prepared the initial draft of the Business Case Study. See Annex B	Preparation of Business Plan	Board-approved Investment-ready Business Plan	
	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	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	Prepared and signed an MOU with LBP Resources and Development Corporation (LBRDC) on April 30, 2024. Prepared and transmitted project proposals, including a Memorandum of Agreement (MOA) template, to the following government entities: - Angeles City Water District (272.50 kWp) - National Food Authority (100 kWp) - National Meat Inspection Services (100 kWp) - TESDA (80 kWp) - NEDA Region IV-A Office (50 kWp) See Annex C	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										

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					2024	Actual	Target	Actual	Target	Target	
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	Consolidated the CSM Surveys for 1st Quarter The Overall Rating for PNOC ARTA CSM Surveys is 98.08%	Consolidation of CSM Surveys for 2nd Quarter	Consolidated the CSM Surveys for 2nd Quarter The Overall Rating for PNOC ARTA CSM Surveys is 98.22% See Annex D	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									
INTERNAL PROCESSES	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	Drafted composition of the internal quality audit (IQA) team and prepared tentative schedule for the conduct of the Head Office's 1st surveillance audit	Conduct of Management Review Conduct of 1st Surveillance Audit	Issuance of Attestation by Certifying Body
	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)	Drafted TORs on Computerized Accounting System (CAS) and Asset Inventory Management System (AIMS) for submission to PCEO	Procurement of 3rd-Party Solution Provider for PIMS & CAS	The procurement of third-party solution providers for PIMS and CAS is currently ongoing. See Annex E	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									

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					2024	Actual	Target	Actual	Target	Target	
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	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.	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	Submitted Summary of Employees Competency Gap Monitoring Report for Q2 2024. Disseminated trainings/seminars to all employees offered by different training institutions to address their competency gaps. Facilitated attendance of employees to 9 trainings/seminars Facilitated 2 In-House Training Program: 1. Capability Training/Workshop on EIA (Conducted April 11, 2024) 2. Thinking Inside Outside The Box (Conducted May 10 and May 17, 2024) See Annex F	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									
	SM 8	Disposal of Banked Gas	Actual Accomplishment	10%	Actual Over Target	Delivery of 1.30 PJ of Banked Gas	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)	Continuation of GSPA Administration/ Delivery of Contracted Banked Gas Submission of Delivery Reportorial Requirements to DOE	Submitted Delivery reports to DOE (April to June 2024) Delivered a total of 2.84 PJ (covering a period of 26 March 2024 to 25 June 2024) See Annex G	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									

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						2024	Actual	Target	Actual	Target	Target
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%		CO = 10.59% MOOE = 16.10% Total: 12.41% See Annex H		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)		PNOC has achieved an operating profit margin of 16.98% as of June 30, 2024 See Annex I		10%
		Total Weight			100%						

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