



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



**04 MARCH 2025**

**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 **21 FEBRUARY 2025**  
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF 4TH  
 QUARTER AND ANNUAL MONITORING REPORT OF  
 PERFORMANCE TARGETS FOR CY 2024**

The said document was officially received by the Governance Commission on 04 March 2025 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: **0-0405-04-03-2025-005854**.

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Date and Time

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February 21, 2025

**ATTY. MARIUS P. CORPUS**

Chairperson

Governance Commission for GOCCs

3/F BDO Paseo Towers (Formerly Citibank Centre),

Paseo de Roxas Avenue, Makati City

Subject: **PNOC's 4<sup>th</sup> Quarter and Annual Monitoring Report of Performance Targets for CY 2024**

Dear **Chairperson Corpus**,

We are pleased to submit PNOC's 4<sup>th</sup> Quarter and Annual 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. Helen M. Alfonso, OIC, Department Manager A of the Strategy Management Office (email: [hmalfonso@pnoc.com.ph](mailto:hmalfonso@pnoc.com.ph)).

Thank you.

Very truly yours,



**OLIVER B. BUTALID**

President and Chief Executive Officer

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**PHILIPPINE NATIONAL OIL COMPANY  
MONITORING REPORT OF CY 2024 PERFORMANCE TARGETS  
FOURTH QUARTER & ANNUAL REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Approved Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	ANNUAL PERFORMANCE REPORT	
					2024	Actual	Actual	Actual	Actual		
<b>CUSTOMERS/STAKEHOLDERS</b>	<b>SO 1</b>	<b>Provide Strategic Support to the Energy Sector</b>									
	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.	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 documentary requirements for PNOC's RES License application to ERC on June 25, 2024.	On-going validation of PNOC RES License Application by ERC.	The ERC denied PNOC's application for a Retail Electricity Supplier (RES) license.	The ERC denied PNOC's application for a Retail Electricity Supplier (RES) license.  <b>See Annex A</b>
			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.	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.	Worked on the PNOC RES License Application to be approved by ERC.  Note: PNOC can not proceed with an MOU signing without an RES license issued by ERC.	Conducted coordination activities with the ERC regarding PNOC's RES license application.	PNOC cannot proceed with the MOU signing without an RES license issued by the ERC.
	<b>SO 2</b>	<b>Develop Sustainable Business Models for the Underserved Renewable Energy Market</b>									

SM 2	Electric Vehicle Fast Charging Station (EVCS)	Actual Accomplishment	10%	All or Nothing	Business Plan that covers at least 10 Tourist Destinations	BRDD: 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.	BRDD: 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.	PMD: Initiated contact with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) to explore a collaborative initiative aimed at establishing Electric Vehicle Charging Stations (EVCS) at Tourist Rest Areas (TRAs). Moreover, the PMD has developed a comprehensive Terms of Reference (TOR) to guide the procurement and installation process of the EVCS units. This TOR outlines the detailed technical specifications necessary for the project, ensuring alignment with the broader objectives set forth in the Business Plan.	<b>Completed Business Plan covering 13 locations</b> (11 Tourist Rest Areas and 2 TIEZA-managed sites in Metro Manila).	<b>Completed Business Plan covering 13 locations</b> (11 Tourist Rest Area; and 2 TIEZA-managed sites in Metro Manila).  <b>See Annex B</b>
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.	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)	Prepared and Signed MOA with four (4) Government Agencies: Angeles City Water District (ACWD), National Economic and Development Authority Region IV-A (NEDA IV-A), National Food Authority (NFA), and Carmona Water District (CWD). These MOAs have a total Aggregate Capacity of 373 kW.	Signed MOA with Government Agencies for an Aggregate Capacity of 5,115 kW as follows:  1. 5,000 kW (NFA) 2. 35 kW [Tanza Water District (TWD)] 3. 80 kW (TESDA)  PNOC has also awarded the procurement of 385 kW as follows:  1. 150 kW [Angeles City Water District (ACWD)] 2. 100 kW (NFA) 3. 50 kW (PNOC Building 6) 4. 50 kW (NEDA 4A) 5. 35 kW (TWD)	<b>Signed MOA</b> with Government Agencies for an Aggregate Capacity of <b>5,488 kW (5.488 MW)</b> as follows:  1. NFA (5,100 kW) 2. ACWD (198 kW) 3. NEDA 4A (50 kW) 4. TWD (35 kW) 5. CWD (25 kW) 6. TESDA (80 kW)  <b>See Annex C</b>  [Copy of MOA for NFA (100 kW), ACWD, NEDA 4A, and CWD were already submitted to GCG in Q3 2024]
SO 3	Broaden Public Support for the Renewable Energy Agenda									
SO 4	Provide Quality Service to PNOC's Customers									

<b>CUSTOMERS/STAKEHOLDERS</b>	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	Consolidated CSM Surveys for 1st Quarter  The Overall Rating for PNOC ARTA CSM Surveys is <b>98.08%</b>	Consolidated CSM Surveys for 2nd Quarter  The Overall Rating for PNOC ARTA CSM Surveys is <b>98.22%</b>	Consolidated CSM Surveys for 3rd Quarter  The Overall Rating for PNOC ARTA CSM Surveys is <b>98.61%</b>	Consolidated CSM Surveys for 4th Quarter  The Overall Rating for PNOC ARTA CSM Surveys is <b>98.69%</b>	Consolidated CSM Surveys for January to December 2024  The Overall Rating for PNOC ARTA CSM Surveys is <b>98.69%</b>  <b>See Annex D</b>
	<b>SO 5</b>	<b>Streamline Key Business Processes While Strengthening Internal Controls</b>									
<b>INTERNAL PROCESSES</b>	SM 5	Pass Certification - ISO 9001:2015 Quality Management Systems for PNOC Head Office	Actual Accomplishment	5%	All or Nothing	Pass 1st Surveillance 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	Note: The Office of the President issued OPM 24-2024 on April 29, 2024 on "Redefined QMS Scope", which required all process owners to submit revised/updated QMS procedures to the QMR/Deputy QMR for review of the QMS consultant and approval of the President. Thereafter on July 26, 2024, the Office of the President issued OPM 34-2024 on "Aligning PNOC's QMS to its Mission", which temporarily suspended the Head Office internal audits using the current Quality Manual. Thus, the Management Review and 1st Surveillance Audit were not conducted.	Note: The Office of the President issued OPM 24-2024 on April 29, 2024 on "Redefined QMS Scope", which required all process owners to submit revised/updated QMS procedures to the QMR/Deputy QMR for review of the QMS consultant and approval of the President. Thereafter on July 26, 2024, the Office of the President issued OPM 34-2024 on "Aligning PNOC's QMS to its Mission", which temporarily suspended the Head Office internal audits using the current Quality Manual. Thus, the Management Review and 1st Surveillance Audit were not conducted.	The 1st Surveillance Audit was not undertaken.
	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 Property/Asset Inventory Management System (PIMS) for submission to PCEO	The procurement of third-party solution providers for PIMS and CAS is currently ongoing.	Notice of Award (NOA) for Property/Asset Inventory Management System (PIMS) was issued to Internet of Things Philippines Inc. (IoT Philippines, Inc.) last July 19, 2024.  For CAS, a failure of bidding was declared due to different non-compliance of requirements in the submitted bid documents by participating bidders/solution providers.		The contract for the development and implementation of the Property/Asset Inventory Management System (PIMS) was awarded on July 19, 2024.  (Copy of the Notice of Award was submitted to GCG last Q3 2024)

	SO 6	Launch a Focused Productivity Improvement Program										
	SO 7	Institutionalize Digital Transformation in all Key Business Processes										
	<b>SO 8</b>	<b>Attract and Retain the Best Talent Suited for PNOC's Mission</b>										
<b>LEARNING &amp; GROWTH</b>	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, <b>2 additional employees met their required competencies vis-à-vis position held</b> as reflected in the attached Training Effectiveness Monitoring Assessment, ECA and Competency Networking Collaboration Report.	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)	Submitted Summary of Employees Competency Gap Monitoring Report for Q3 2024.  Based on the report, 1 additional employee met her required competencies vis-à-vis position held as reflected in the attached Training Effectiveness Monitoring Assessment.  Facilitated attendance of employees to 14 local trainings/seminars  Facilitated 5 In-House Training Program	Submitted Summary of Employees Competency Gap Monitoring Report for Q4 2024.  Disseminated trainings/seminars to all employees offered by different training institutions to address their competency gaps.  Facilitated attendance of employees to 2 local trainings/seminars  Facilitated 1 In-House Training Program	Increased from the 2023 baseline <b>by three additional employees</b> who met the required competencies for their positions, as indicated in the Summary of the 2024 Baseline Competency Monitoring Report as of December 31, 2024.  <b>See Annex E</b>	
	SO 9	Encourage a Continuous Learning Culture Among PNOC Employees										
	SO 10	Establish a Fair and Transparent Performance Targeting and Reward System										
		<b>SO 11</b>	<b>Optimize Strategic Assets to Improve Income Stream</b>									
		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 <b>2.18 PJ</b> (Covering a period of 26 Dec. 2023 to 25 March 2024)	Submitted Delivery reports to DOE (April to June 2024)  Delivered a total of <b>2.84 PJ</b> (covering a period of 26 March 2024 to 25 June 2024)	Submitted Delivery reports to DOE (July to September 2024)  Delivered a total of <b>2.34 PJ</b> (covering a period of 26 June 2024 to 25 September 2024)	Submitted Delivery reports to DOE (October to December 2024)  Delivered a total of <b>1.74 PJ</b> (covering a period of 26 September to 31 December 2024)	For the Q4 2024 Delivery Report,  <b>See Annex F</b>  (Delivery Reports for Q1 - Q3 were already submitted in the previous submissions)  <i>Remarks: A total of <b>8.955 PJ</b> of Banked Gas was Delivered in 2024</i>
		SO 12	Mobilize the Resources of Like-Minded Entities in Attaining our Goals									
		<b>SO 13</b>	<b>Exercise Prudence in Public Fund Expenditure</b>									
		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%  <b>Total: 9.54%</b>	CO = 10.69% MOOE = 17.64%  <b>Total: 15.30%</b>	CO = 12.83% MOOE = 25.89%  <b>Total: 17.17%</b>	CO = 12.97% MOOE = 60.33%  <b>Total: 28.68%</b>	CO = 12.97% MOOE = 60.33%  <b>Total: 28.68%</b>  <b>See Annex G</b>

FINANCIAL	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 - <b>10.49%</b> as of February 29, 2024	PNOc has achieved an operating profit margin of <b>16.98%</b> as of June 30, 2024	PNOc has achieved an operating profit margin of <b>26.55%</b> as of September 30, 2024	PNOc has achieved an operating profit margin of <b>-3.85</b> as of December 31, 2024	PNOc has achieved an operating profit margin of <b>-3.85</b> as of December 31, 2024  <b>See Annex H</b>
		<b>Total Weight</b>		<b>100%</b>							

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