


SENATE

'19 AUG 28 P1:32

P. S. Res. No. 119

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SERVICE CONTRACTS ISSUED BY THE DEPARTMENT OF ENERGY TO THE ENERGY EXPLORATION COMPANIES, WITH THE END IN VIEW OF ENSURING THAT SUCH CONTRACTS ARE NOT DISADVANTAGEOUS TO GOVERNMENT AND TO OUR INDIGENOUS ENERGY RESOURCES

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- WHEREAS, the Department of Energy (DOE) Act of 1992 declares that it is the policy of the State to ensure a continuous, adequate, and economic supply of energy to ultimately achieve self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources, and through the judicious conservation, renewal and efficient utilization of energy to keep pace with the country's growth and economic development and taking into consideration the active participation of the private sector in the various areas of energy resource development;
- WHEREAS, according to the Oil Exploration and Development Act of 1972, it is declared to be the policy of the State to hasten the discovery and production of indigenous petroleum through the utilization of government and/or private resources, local and foreign, under the arrangements embodied in the Act which are calculated to yield the maximum benefit to the Filipino people and the revenues to the Philippine Government for use in furtherance of national economic development, and to assure just returns to participating private enterprises, particularly those that will provide the necessary services, financing and technology and fully assume all exploration risks;

1 WHEREAS, the government may directly undertake petroleum exploration and
2 production and also indirectly undertake the same under service contracts;

3 WHEREAS, the service contracts entered may cover free areas, national
4 reserve areas and/or petroleum reservations, as provided for in the Petroleum Act of
5 1949, whether on-shore or off-shore;

6 WHEREAS, the DOE monitors 23 active petroleum service contracts, 62
7 existing coal operating contracts and 839 renewable energy projects awarded;

8 WHEREAS, the DOE has already identified 16 prospective sedimentary basins
9 representing an area of 700,000 square kilometers with a combined potential of
10 4,777 million barrels of fuel equivalent whose sites are located within the Cagayan
11 Valley Basin in the north, Agusan-Davao basin, Northwest Palawan Basin and the Sulu
12 Sea Basin along the western flank of the archipelago;

13 WHEREAS, the DOE launched the latest energy contracting round in November
14 2018 and eight investors have signified their intention to nominate some potential
15 areas in the 16 sedimentary basins of the Philippines;

16 WHEREAS, it is imperative that the DOE and the Department of Environment
17 and Natural Resources (DENR) shall coordinate in the review of the identified sites
18 and verify whether these are within protected areas or sanctuaries to avoid potential
19 environment issues: Now, therefore, be it

20 RESOLVED BY THE SENATE, as it is hereby resolved, To direct the Committee
21 on Energy to conduct an inquiry, in aid of legislation, on the service contracts issued
22 by the Department of Energy to the energy exploration companies, with the end in
23 view of ensuring that such contracts are not disadvantageous to government and to
24 our indigenous energy resources.

Adopted,

mjma


RALPH G. RECTO