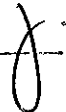


SENATE
S.B. No. 2989

FILED BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY SECTOR OF THE PHILIPPINES, AUTHORIZING THE COLLECTION AND APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

As we maintain the rise of the Philippine economy and pursue the growth of each industry, most especially our micro, small, and medium enterprises (MSMEs), we need to focus on the development and sustainability of the energy sector in the country.

Power is a necessity in our daily lives, whether we are students, employees, entrepreneurs, head of corporations, and even for the entertainers we see on television. It is the bedrock for all sectors to build and thrive.

Yet, in 2013, the cost of power in the Philippines was the fifth highest in the world, well above our Southeast Asian neighbors Indonesia, Malaysia, and Thailand¹.

These high electricity rates, not to mention the impending energy crisis, are a source of frustration for the national economy, micro and large businesses, and households alike. This situation, if left unabated, will certainly stunt our growth and progress.

With the innovations in the field of energy, particularly in renewables and sustainable energy sources, the Philippines is presented with so many opportunities and so much room for growth in our power industry.

We need to guarantee the evolution and progression of our energy sector by ensuring that the people working within it are top-notch, creative, and able. Thus, it's high time we invest in the Philippine energy sector by investing in the people that are building it.

The Magna Carta for Energy Development Workers aims to provide a human resource development program that will attract the brightest Filipinos to commit a life of mission in the energy sector.

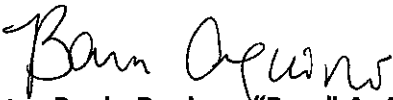
The measure proposes a compensation package and capacity development program that is competitive and at par with other industries. It establishes the Energy Career System that will create a new standardized salary scheme with scholarships, retirement packages and other additional benefits for workers in the sector.

¹ Rigoberto Tiglao. The Manila Times. 9 January 2014. "High electricity costs root of our backwardness". <http://www.manilatimes.net/high-electricity-costs-root-of-our-backwardness/66574/>

It hopes to invite the best of the best engineers, scientists, geologists, policy makers, strategists and mavericks to choose to stay in the sector and provide the country with cheap, safe, and sustainable energy.

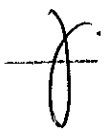
Let's reenergize the sector and engulf it with young blood and creative minds by ensuring them that we will take care of their future and development.

In view of the foregoing, the approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

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AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY SECTOR OF THE PHILIPPINES, AUTHORIZING THE COLLECTION AND APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. **Title.** – This Act shall be known as the "Magna Carta for Workers in the
2 Energy Sector of the Philippines."

3 SEC. 2. **Declaration of Policy.** – The State recognizes energy as an essential element for
4 the attainment of sustained national development and progress. To attain this objective, it is
5 hereby declared the policy of the State to provide for a program of human resources
6 development in energy sector to achieve and maintain the necessary reservoir of talent and
7 manpower that will sustain its drive for accessible, affordable and sustainable electricity in
8 various parts and sectors of the society.

9 The State shall establish, promote and support programs leading to the realization of
10 this objective, such as scholarship programs, improvement of the quality of energy education,
11 popularization and sustainability of energy culture, and provision of incentives for pursuing
12 careers in energy and its allied degree programs.

13 SEC. 3. **Definition of Terms.**

14 (a) Department – refers to the Department of Energy (DOE) created pursuant to
15 Republic Act No. 7638.

16 (b) Department's Attached Agencies – the attached agencies of the Department shall
17 include, but not limited to, the National Electrification Administration (NEA),
18 National Power Corporation (NPC), National Transmission Corporation (TransCo),
19 Philippine National Oil Company (PNOC), and Power Sector Assets and Liabilities
20 Management (PSALM).

21 (c) Energy Activities and Projects – all systematic activities and projects which are
22 closely concerned with the energy exploration, development, generation,
23 transmission, distribution, utilization and commercialization of energy resources
24 including the dissemination and application of scientific and technical knowledge in
25 all fields of energy such as, but not limited to, coal mining, oil and petroleum,
26 renewable energy, gas, alternative energy technologies, bio-energy, electrification

1 and all undertakings that are necessary for the proper, effective and efficient
2 implementation of the Philippine Energy Plan (PEP) formulated by the Department
3 duly approved by the President of the Philippines.

4 (d) Energy Workers or Personnel – shall be composed of personnel as classified below:

5 1.) Department’s Workers – refers to all officials and personnel of the Department
6 who are directly responsible in the planning, formulation, processing,
7 execution, monitoring and evaluation of energy programs, activities and
8 projects;

9 2.) Department’s Attached Agencies Workers - refers to all officials and personnel
10 of the Department’s attached agencies who are directly responsible in the
11 planning, formulation, processing, execution, monitoring and evaluation of
12 energy programs, activities and projects and as defined in their respective
13 Charters; and

14 3.) Electrification Workers – refers to all officials and personnel of the different
15 Electric Cooperatives duly registered with the National Electrification
16 Administration and Cooperative Development Authority.

17 SEC. 4. **Energy Career System.** – A career system for energy personnel in the service of
18 the government shall be formulated by the Department in coordination with the Civil Service
19 Commission (CSC).

20 SEC. 5. **Classification of Energy Personnel.** – Energy personnel may be classified in the
21 following categories:

22 (a) Energy managers, supervisors, policy-makers, and planners – Those who are
23 graduate degree holders or have at least ten (10) years of managerial and
24 supervisory experience or are performing executive, managerial, planning and
25 policy-making functions to effectively carry out the energy related activities and
26 projects as defined in Section 3(c) of this Act.

27 *Provided,* That for personnel who occupy third level positions, comprised of
28 above Division Chief to Undersecretary and their equivalents, must be appointed
29 by the President of the Philippines to the appropriate Career Executive Service
30 Officer (CESO) rank in accordance to the pertinent policies and regulations
31 promulgated by the Career Executive Service Board (CESB);

32 (b) Members of the energy career system;

33 (c) Mining and petroleum engineers, geologists, engineers, scientists, inspectors, and
34 researchers. – Those who are at least undergraduate or bachelor’s degree holders
35 in any of the engineering, law, public administration, economics and its allied fields
36 and are involved in the conduct of inspections, enforcement, evaluation and
37 monitoring of energy activities and projects as defined under Section 3(c) of the act
38 including those engaged in research and development on energy sector; and

39 (d) Technicians and related energy personnel. – Those who obtained at least twelve
40 (12) units in public administration, engineering, sciences, economics, social
41 sciences, information and communication technology (ICT) and allied courses or
42 any appropriate training as determined by the Secretary of the Department and
43 are providing administrative and support services to energy personnel enumerated
44 in the three (3) preceding sub-sections. The related energy personnel herein shall

1 also include those workers involved in the audit, enforcement, evaluation and
2 monitoring of the technical, financial, legal and socio-economic aspects of any
3 energy program, project and activities.

4 **SEC. 6. *Salaries.*** – The existing law on salary scales of government employees shall not
5 apply in determining the salary scale of energy personnel as defined in Section 5 of this Act. A
6 new salary scale shall be developed by the Department in consultation with the Department
7 of Budget and Management (DBM) and the Civil Service Commission (CSC), subject to the
8 approval of the President of the Philippines.

9 **SEC. 7. *Other Benefits.*** – Notwithstanding Section 12 of Republic Act No. 6758, energy
10 personnel defined under Section 5 of this Act shall receive the following:

11 (a) **Honorarium.** – Energy personnel who rendered services beyond the established
12 irregular workload of managers or executives, mining and petroleum engineers,
13 geologists, engineers, scientists, researchers, inspectors and technicians whose
14 broad and superior knowledge, expertise or professional standing in a specific field
15 contributes to productivity and innovativeness shall be entitled to receive
16 honorarium subject to rules to be set by the Department.

17 The Chairs, Vice Chairs, Members and Secretariat of governing boards or
18 technical committees of the Department created by law and regulations such as,
19 but not limited to, the National Renewable Energy Board (NREB) and Renewable
20 Energy-Review and Evaluation Committee (RE-REC) under Republic Act No. 9513
21 and its Implementing Rules and Regulations and its subsequent issuances, the
22 National Biofuels Board (NBB) under Republic Act No. 9367, Review and Evaluation
23 Committee of the Philippine Energy Contracting Round (REC-PECR) under
24 Presidential Decree No. 1442 and its subsequent issuances and implementing
25 guidelines, including that of the Department's attached agencies, shall be entitled
26 to reasonable honorarium as prescribed by the Department of Budget and
27 Management, and reimbursement of actual expenses incurred for their attendance
28 during meetings, seminars, conferences and official functions subject to usual
29 accounting and auditing rules and regulations.

30 (b) **Share from Government Shares, Fees and Charges from Supervision and**
31 **Regulation.** – Energy personnel shall be entitled to receive share from government
32 shares, fees and charges from supervision and regulation subject to guidelines of
33 the Department. The share from the government shares shall be on a sixty
34 percent-forty percent (60%-40%) basis in favor of the government and the
35 personnel involved in energy programs, activities and projects which has been
36 produced or undertaken during the regular performance of their functions.

37 For the purpose of this Act, government share shall be defined as a share in
38 the proceeds of payments arising from the energy exploration, development,
39 generation, transmission, distribution, utilization and commercialization of energy
40 resources in various sectors while share in the fees and charges from supervision
41 and regulation in the downstream oil industry shall refer to the sum charged and
42 collected from acknowledgements, applications, certifications, endorsements,
43 processing fees, violation fines/penalties and other reasonable payments in
44 connection with the enforcement of energy laws and implementation of program,
45 activities and projects in the downstream oil industry;

46 (c) **Hazard Allowance.** – Energy personnel involved in hazardous undertakings or
47 assigned in hazardous workplaces to conduct periodic inspection, evaluation and

1 monitoring of energy related projects and activities shall be paid hazard allowances
2 ranging from ten (10%) to thirty (30%) percent of their monthly basic salary
3 depending on the nature and extent of the hazard involved. The following shall be
4 considered hazardous workplaces:

5 (1) Radiation-exposed laboratories and service workshops

6 (2) Remote/depressed areas

7 (3) Areas declared under a state of calamity or emergency

8 (4) Strife-torn or embattled areas

9 (5) Laboratories and other disease-infested areas

10 (6) Electrical machine and mechanical rooms

11 (7) Pressure vessels and other steam generating facilities

12 (8) Areas, establishments or energy and energy-related facilities where energy
13 personnel or inspectors are directly or imminently exposed to hazardous
14 vapors, products and toxic fumes (and substances) such as, gasoline stations,
15 oil depots, terminals, auto-LPG dispensing stations and gas refilling plants

16 (d) **Subsistence Allowance.** – Energy personnel shall be entitled to full subsistence
17 allowance equivalent to three (3) meals a day, which may be computed and
18 implemented in accordance with the criteria to be provided in the implementing
19 rules and regulations. Those assigned out of their regular work stations shall be
20 entitled to per diem in place of the allowance;

21 (e) **Laundry Allowance.** – Energy personnel who are required to wear a prescribed
22 uniform during office hours shall be entitled to a laundry allowance of not less than
23 One hundred fifty pesos (Php150.00) a month;

24 (f) **Housing and Quarter Allowance.** – Energy Personnel who are on duty in
25 laboratories, energy research and development centers and other government
26 facilities shall be entitled to free living quarters within the government facility
27 where they are stationed: *Provided*, That the personnel have their residence
28 outside of the fifty (50)- kilometer radius from such government facility;

29 (g) **Longevity Pay.** – A monthly longevity pay equivalent to five percent (5%) of the
30 monthly basic salary shall be paid to energy personnel for every five (5) years of
31 continuous and meritorious service as determined by the Secretary of the
32 Department;

33 (h) **Medical Examination.** – During the tenure of their employment, energy personnel
34 shall be given a compulsory free medical examination once a year and
35 immunization as the case may warrant. The medical examination shall include:

36 (1) Complete physical examination

37 (2) Routine laboratory, Chest X-ray and ECG

38 (3) Psychometric examination

1 (4) Dental Examination

2 (5) Other indicated examination authorized by the Department Secretary

3 (i) **Family and Home Visit Allowance.** – To further enhance the recruitment process
4 and mobility of energy personnel, a monthly family and home visit allowance shall
5 be provided to energy personnel comprised of free transportation during
6 Saturdays and Sundays or Holidays only. *Provided,* That the personnel have their
7 residence outside of the fifty (50)- kilometer radius from work assignment;

8 (j) **Incremental Performance-Based Bonus.** – Energy personnel shall be provided of at
9 least twenty (20%) percent additional performance-based bonus if the total annual
10 agency accomplishment has surpassed by one hundred (100%) percent during the
11 period covered as verified by the Department of Budget and Management;

12 (k) **Collective Negotiation Agreement (CNA).** – Energy personnel shall be given the
13 right to enter into Collective Negotiation Agreements including the grant of
14 benefits thereof in accordance with applicable rules and regulations. *Provided,*
15 That for employees of government-owned and controlled corporations and
16 financial institutions, the CNA may only be granted upon showing of the agency's
17 fiscal and financial viability;

18 (l) **Hardship Allowance.** – Energy workers who performed physical work performed in
19 hazardous environments such as, the conduct of inspections, evaluation and
20 monitoring of energy-related activities and projects be covered by Hardship
21 Allowance of Five Hundred Pesos (Php500.00) per day; and

22 (m) **Maternity or Paternity Leave-** Subject to rules and regulations promulgated jointly
23 by the Department and CSC, energy workers, both public and private, shall be
24 granted of ninety (90) days, with full pay based on average weekly or regular
25 wages, regardless if the delivery was normal or caesarian.

26 Subject to the approval by the Department Secretary, an additional
27 maternity leave of thirty (30) days, without pay, can be availed of, at the option of
28 the employee.

29 **SEC. 8. Non-Department Personnel.** – Energy personnel not employed by the
30 Department such as, but not limited to, the personnel of the Affiliated Energy Centers (AECs),
31 comprised of State Universities and Colleges (SUCs), government research and development
32 institutions or consortium thereof, duly accredited by the Department in accordance with its
33 relevant policies and guidelines who are involved in energy activities and projects including
34 the officials and faculty members of State Universities and Colleges under Section 10 of this
35 Act, may avail of the benefits under this Act upon certification of the Secretary of the
36 Department.

37 The existing Affiliated Renewable Energy Centers (ARECs), in good standing, may be
38 converted to AECs subject to the appropriate guidelines, qualifications, requirements and
39 processes to be issued by the Department Secretary.

40 **SEC. 9. Scholarships and Grants.** – Energy personnel in public and private sectors shall
41 be entitled to avail of scholarship benefits and grants pursuing undergraduate, graduate, post-
42 graduate or training courses in accordance with a Scholarship Program to be implemented by
43 the Department. Grantees of the program may study within the Philippines or abroad

1 provided that the Department shall provide strict measures to ensure their return to the
2 country to render the service obligation.

3 Recipients of undergraduate scholarships shall, after graduation, be required to render
4 service in the government for the equivalent number of years that they availed of their
5 scholarships. However, in case where there are no available positions in the government, they
6 may be allowed to work in the private sector.

7 Scholarship privileges may be on a full-time or part-time basis and shall include tuition
8 fee, book allowance, transportation allowance, monthly stipend, dissertation grants,
9 insurance and the payment of regular salary and other benefits.

10 For this purpose, the Human Resource Development Council created under Republic
11 Act No. 8248 shall formulate the rules and regulations to implement the Scholarship Program
12 provided in this Act.

13 **SEC. 10. *Offering of Energy Related Degree Programs and Trainings in Higher***
14 ***Education Institutions.*** To further enhance the implementation of the policies under Section 2
15 of this Act, offering of energy related degree programs shall be mandatory to State
16 Universities and Colleges (SUCs) with mandates and curricular offerings or programs provided
17 in their respective Charters that include, among others, energy, geology, science and
18 technology. Other State Universities and Colleges including private higher education
19 institutions shall also be encouraged to offer energy related degree programs.

20 To fully implement this provision, SUCs offering energy related programs shall be
21 entitled to automatic additional budget of not less than five (5%) percent of their respective
22 annual appropriations to be used for the personnel services, MOOE and capital outlay
23 necessary to ensure sustainability of the energy related degree programs in their respective
24 schools. Furthermore, the Secretary of the Department or his/her authorized representative
25 shall be member of the governing board of SUCs and private institutions offering energy
26 related programs to ensure that it shall be complementary and contributory to the Philippine
27 Energy Plan and thrusts of the national government. The Secretary or his/her duly authorized
28 representative shall be entitled to the rights and privileges of a regular member of the
29 governing board pursuant to Republic Act No. 8292, otherwise known as the "Higher
30 Education Modernization Act of 1997" and the charters of SUCs or by-laws and policies of the
31 private higher education institutions concerned.

32 Furthermore, the Department shall endeavor to establish partnerships with public and
33 private institutions for the establishment and operations of training institutes to cater to the
34 professional, technical, administrative or managerial and executive enhancement and training
35 needs of the energy personnel and interested individuals in the energy sector. Such amount
36 necessary for the implementation of this provision shall be incorporated in the annual budget
37 of the Department.

38 **SEC. 11. *Honorarium for Other Services.*** – Mining and petroleum engineers, geologists,
39 engineers, scientists, researchers, technologists, inspectors, technicians and other energy
40 officials and personnel shall be allowed to render consultancy services to the private sector
41 and shall be entitled to receive such honorarium that may be paid to them by the private
42 entity concerned. Such payments shall be over and above their salary from the government
43 during the period of the consultancy and shall not be considered as double compensation:
44 *Provided, That the consultancy work will not jeopardize or adversely affect the operations or*
45 *activities of his/her originating office or constitute conflict of interest of his/her duties and*
46 *responsibilities therein: Provided, further, That the Secretary of the Department approves*
47 *such consultancy.*

1 **SEC. 12. Detail to the Private Sector and Industry Immersion.** – Notwithstanding to
2 the provisions of existing laws, officials, mining and petroleum engineers, geologists,
3 engineers, scientists, researchers, technologists, inspectors, technicians and energy related
4 personnel who are employed on a regular basis in the government, whether or not they are
5 conferred any rank under the Energy Career System, shall hereby be allowed secondment to
6 any private entity whenever such services are required: *Provided*, That the duration of such
7 service with a private entity shall not exceed one (1) year: *Provided, further*, That the detail or
8 secondment of said personnel will not hamper or adversely affect the operations or activities
9 of his/her originating office or constitute conflict of interest of his/her duties and
10 responsibilities therein: *Provided, finally*, That the head of the agency approves such detail or
11 secondment.

12 During the period of such secondment, payment of the seconded employee shall be
13 borne by the seconding private entity covered by a contract. The period of secondment shall
14 be used in computing the retirement benefits but not for the commutation of leave credits
15 earned. Such secondment shall not likewise affect his security of tenure nor result in the loss
16 of seniority rights subject to guidelines on secondment in the IRR of this Act.

17 **SEC. 13. Exemption from the Attrition Law and Civil Service Rule on Nepotism.** –
18 Except for third level positions, appointment of energy personnel to positions equivalent to
19 salary grade ten (SG 10) and above shall not be covered by the Attrition Law and Civil Service
20 Commission (CSC) rule on nepotism in consideration of the highly technical nature of these
21 positions.

22 **SEC. 14. Provision Against Double Benefits.** – Energy personnel already receiving the
23 same benefits under any other law shall not be allowed to avail of the benefits under this Act
24 unless they submit in writing their intention to withdraw the benefits already being received
25 and opt for those provided hereunder.
26

27 **SEC. 15. Highest Basic Salary Upon Retirement.** – Upon retirement, the energy
28 personnel concerned shall automatically be granted one (1) position higher than his/her
29 current position and his/her retirement benefits shall be computed on the basis of the
30 equivalent salary of the next higher position/rank.

31 Upon retirement, the energy personnel concerned shall also be granted retirement
32 gratuity based on the total length of service (converted into gratuity months) multiplied by
33 the highest basic salary of the higher position/rank provided above in accordance with the
34 provisions of Republic Act No. 1616 or "An Act Further Amending Section Twelve of
35 Commonwealth Act Numbered One Hundred Eighty-Six, as Amended, By Prescribing Two
36 Other Modes of Retirement and For Other Purposes."

37 **SEC. 16. Prohibition Against Diminution and/or Elimination.** – Nothing in this law shall
38 be construed to eliminate or in any way diminish benefits being enjoyed by energy personnel
39 at the time of the effectivity of this Act.

40 **SEC. 17. Hiring of Retired Energy Personnel.** An employee retired under any existing
41 law, who, in the judgment of the Secretary of the Department, possesses managerial or
42 technical qualifications and the capability to undertake energy related activities, may be
43 rehired on contractual basis without refunding the unexpired portion of the gratuity and
44 accumulated leave benefits received by him/her from the Government: *Provided*, That no
45 qualified energy expert or applicant is available to undertake said energy activities.

1 **SEC. 18. *Government Scholars and Training Grantees.*** – Graduates or grantees of
2 government energy scholarship programs or trainings shall be given temporary waiver of CSC
3 eligibilities for at least two (2) years and preferential access to financial grants from any
4 government agency authorized to extend grants and loans with easy terms from government
5 financing institutes, for energy projects which are viable and in line with the development
6 thrust of the country.

7 **SEC. 19. *Enhancement of Corporate Social Responsibility (CSR) Programs in the***
8 ***Energy Sector.*** – The Department shall devise mechanism that shall enhance the Corporate
9 Social Responsibility (CSR) Programs of the energy sector which shall redound to the benefit of
10 the general welfare of the host local government units (LGUs) and of energy activities or
11 projects. A host LGU/s shall include the political subdivision such as, the barangay/s,
12 municipality/ies and province/s where the energy project is located.

13 The CSR commitment fund of every energy contractor shall be determined by the
14 Department and the same be integrated in the service or operating contracts to be executed
15 between the Department and the contractor subject to applicable laws, rules and regulations.

16 The duly accredited Affiliated Energy Centers shall be given preference as partner of
17 energy contractors in the implementation of the CSR programs in their respective areas
18 consistent with relevant policies to be issued by the Department.

19 **SEC. 20. *Energy Awards.*** – There shall be established Energy Awards Committee which
20 shall confer annually the Energy Awards for outstanding achievement/s and excellence or
21 original contribution to energy development, exploration, commercialization, utilization,
22 transmission and distribution.

23 The Committee, to be constituted by the Secretary of the Department within fifteen
24 days upon the effectivity of this Act, shall promulgate the guidelines in implementing this
25 Section and shall specify the categories of awards to be given and the amount of financial
26 reward for each category. Further, the Chair, Vice Chair and Members including the Technical
27 Staff of the Committee shall be entitled with the benefits provided under 2nd paragraph of
28 Section 7 (a) of this Act.

29 **SEC. 21. *Congressional Commission on Energy.*** – There is hereby created a
30 Congressional Commission on Energy (Energy Com) to review and assess among others, the
31 state of the Philippine human resources development in energy sector, the state of
32 computerization and information technology in the energy activities and projects, and the
33 implementation of this Act.

34 The Commission shall be composed of five (5) Members of the House of
35 Representatives and five (5) Members of the Senate. It shall be Co-chaired by the
36 Chairpersons of the Committee on Energy of both Houses of Congress. Such congressional
37 review shall be undertaken at least once every two (2) years.

38 **SEC. 22. *Authority of the Department to Collect, Manage and Disburse Income.*** – To
39 supplement the implementation of this Act, the Department is hereby authorized to collect
40 any amount for the royalties from the energy activities and projects due for the government
41 as provided under Section 7(b) including, among others, the application, processing or
42 supervision and regulation fees, signing bonus, training assistance, scholarship programs, and
43 development assistance and such other reasonable fees and charges for the application and
44 awarded service and operating contracts.

1 All incomes generated by the Department shall be deposited in trust accounts in the
2 authorized government depository banks to be exclusively managed and disbursed by the
3 Department subject to usual accounting and auditing rules and regulations.

4 To attain the mandate and objective of this provision, the Secretary of the Department
5 shall create separate Compliance Services with divisions for renewable energy resources,
6 conventional energy resources, and the DOE-administered funds from power
7 producer/energy resource developers and such other units. The organizational staffing
8 patterns of these Compliance Services and its divisions or units shall be submitted to the
9 Department of Budget and Management for approval.

10 **SEC. 23. Establishment and Management of the Regional Offices.** – To further
11 enhance the efforts, and ensure proper and efficient protection and utilization of energy
12 resources there is a need to strengthen the regulatory powers and functions of the
13 Department of Energy. Toward this end, the Secretary of the Department is hereby authorized
14 to create a Regional Office for every regional subdivision in the Philippines with adequate
15 manpower, facilities, equipment and resources necessary in carrying out their respective
16 mandates, regulatory authority, and duties.

17 The Regional Offices shall be under the direct administrative supervision and control of
18 the Office of the Secretary or any designated official of the Department and each shall be
19 headed by a Regional Director who shall be assisted by at least two (2) Assistant Regional
20 Directors and Chiefs and staff of various administrative and technical divisions in accordance
21 with the organizational staffing patterns approved by the Department of Budget and
22 Management.

23 The current employees of the Department of Energy in its field offices shall be given
24 priority in the hiring and filling-up of positions in various Regional Offices so created.

25 Hiring, promotions and other personnel actions of the officials and employees shall be
26 subject to applicable laws, rules and regulations.

27 **SEC. 24. Research and Development (R&D) on Energy.** The Department shall, in
28 consultation with the stakeholders, formulate a short-term, medium-term and long-term
29 Research and Development (R&D) on Energy complementary to the Philippine Energy Plan
30 (PEP) and local and national development plans and thrusts.

31 To fully implement this provision, the Department Secretary is hereby authorized to
32 create and prescribe the functions and duties of the Energy Research and Development Office
33 (ERDO) under the direct supervision of the Office of the Secretary or his authorized
34 representative. The organizational and staffing pattern including the hiring of the Director,
35 Division Chiefs and other personnel of the ERDO shall be subject to the approval of the DBM
36 and in accordance with the pertinent Civil Service Commission and other applicable laws, rules
37 and regulations.

38 **SEC. 25. Funding.** – The amount necessary to fully implement this Act shall be provided
39 in the General Appropriations Act (GAA) of the year following its enactment into law under
40 the budgetary appropriations of the DOE and concerned agencies.

41 **SEC. 26. Annual Report.** – The Secretary of the Department shall submit to the
42 Congressional Commission on Energy, an annual report of the status of implementation of this
43 Act.

1 SEC. 27. **Implementing Rules and Regulations (IRR).** – The Secretary of the
2 Department, in consultation with government and nongovernment agencies involved in
3 energy activities and projects, shall formulate the implementing rules and regulations to carry
4 out the provisions of this Act.

5 SEC. 28. **Repealing Clause.** – All laws, decrees, orders, rules and regulations, or parts
6 thereof, inconsistent with the provisions of this Act are hereby amended or repealed
7 accordingly.

8 SEC. 29. **Separability Clause.** – The provisions of this Act are hereby declared
9 separable. In the event that any provision hereof is rendered unconstitutional, those that are
10 not affected shall remain valid and effective.

11 SEC. 30. **Effectivity.** – This Act shall take effect immediately after publication in two (2)
12 newspapers of general circulation.

13 Approved,