

**SEVENTEENTH CONGRESS** )  
**REPUBLIC OF THE PHILIPPINES** )  
First Regular Session )



'16 JUL 19 AIO 32

**SENATE**  
S.B. No. 438

RECEIVED BY: 

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**Introduced by SENATOR LOREN LEGARDA**

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**AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY SECTOR OF THE PHILIPPINES**

Explanatory Note

This bill seeks to establish a Magna Carta for Workers in the Energy Sector of the Philippines. Based on latest industry estimates, the country will need 12,000 megawatts (MW) of additional capacity until 2030. Given that this is roughly double the existing capacity, there is a clear need to attract competent and highly-trained workers in the said sector.

In recognition of the crucial role played by workers in the energy sector for inclusive and sustainable growth, this legislative measure proposes the following:

- a. The creation of a career system and salary scale for energy personnel in the government service; and,
- b. That energy personnel covered by this bill shall be entitled to these benefits—honorarium; hazard allowance; longevity pay; medical examination; collective negotiation agreement; and hardship allowance.

In view of the foregoing, early passage of this bill is requested.

  
**LOREN LEGARDA**

Senator

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**AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY SECTOR OF THE PHILIPPINES**

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

1 **SEC. 1. Title.** – This Act shall be known as the “Magna Carta for Workers in  
2 the Energy Sector of the Philippines.”  
3

4 **SEC. 2. Declaration of Policy.** – The State recognizes energy as an essential  
5 element for the attainment of sustained national development and progress. To  
6 attain this objective, it is hereby declared the policy of the State to provide for a  
7 program of human resources development in energy sector to achieve and  
8 maintain the necessary reservoir of talent and manpower that will sustain its  
9 drive for accessible, affordable and sustainable electricity in various parts and  
10 sectors of the society.  
11

12 The State shall establish, promote and support programs leading to the  
13 realization of this objective, such as scholarship programs, improvement of the  
14 quality of energy education, popularization of energy culture, and provision of  
15 incentives for pursuing careers in energy and its allied degree programs.  
16

17 **SEC. 3. Definition of Terms.**

18  
19 (a) Department – refers to the Department of Energy (DOE) created pursuant to  
20 Republic Act No. 7638.  
21

22 (b) Department’s Attached Agencies – the attached agencies of the Department  
23 shall include, but not limited to, the National Electrification Administration  
24 (NEA), National Power Corporation (NPC), National Transmission  
25 Corporation (TransCo), Philippine National Oil Company (PNOC), and Power  
26 Sector Assets and Liabilities Management (PSALM).  
27

28 (c) Energy Activities and Projects – all systematic activities and projects which  
29 are closely concerned with the energy exploration, development, generation,  
30 transmission, distribution, utilization and commercialization of energy  
31 resources including the dissemination and application of scientific and  
32 technical knowledge in all fields of energy such as, but not limited to, coal  
33 mining, oil and petroleum, renewable energy, gas, alternative energy  
34 technologies, bio-energy, electrification and all undertakings that are  
35 necessary for the proper, effective and efficient implementation of the  
36 Philippine Energy Plan (PEP) formulated by the Department duly approved  
37 by the President of the Philippines.

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

3  
4 1.) Department's Workers – refers to all officials and personnel of the  
5 Department who are directly responsible in the planning, formulation,  
6 processing, execution, monitoring and evaluation of energy programs,  
7 activities and projects;

8  
9 2.) Department's Attached Agencies Workers - refers to all officials and  
10 personnel of the Department's attached agencies who are directly  
11 responsible in the planning, formulation, processing, execution,  
12 monitoring and evaluation of energy programs, activities and projects and  
13 as defined in their respective Charters; and

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

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

22  
23 **SEC. 5. Classification of Energy Personnel.** – Energy personnel may be  
24 classified in the following categories:

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

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

38  
39 (b) Members of the energy career system;

40  
41 (c) Mining and petroleum engineers, geologists, engineers, scientists,  
42 inspectors, and researchers. – Those who are at least undergraduate or  
43 bachelor's degree holders in any of the engineering, law, public  
44 administration, economics and its allied fields and are involved in the  
45 conduct of inspections, enforcement, evaluation and monitoring of energy  
46 activities and projects as defined under Section 3(c) of the act including  
47 those engaged in research and development on energy sector; and

48  
49 (d) Technicians and related energy personnel. – Those who obtained at least  
50 twelve (12) units in public administration, engineering, sciences,  
51 economics, social sciences, information and communication technology  
52 (ICT) and allied courses or any appropriate training as determined by the  
53 Secretary of the Department and are providing administrative and  
54 support services to energy personnel enumerated in the three (3)

1 preceding sub-sections. The related energy personnel herein shall also  
2 include those workers involved in the audit, enforcement, evaluation and  
3 monitoring of the technical, financial, legal and socio-economic aspects of  
4 any energy program, project and activities.  
5

6 **SEC. 6. Salaries.** – The existing law on salary scales of government employees  
7 shall not apply in determining the salary scale of energy personnel as defined  
8 in Section 5 of this Act. A new salary scale shall be developed by the  
9 Department in consultation with the Department of Budget and Management  
10 (DBM) and the Civil Service Commission, subject to the approval of the  
11 President.  
12

13 **SEC. 7. Other Benefits.** – Notwithstanding Section 12 of Republic Act No.  
14 6758, energy personnel defined under Section 5 of this Act shall receive the  
15 following:  
16

17 (a) **Honorarium.** – Energy personnel who rendered services beyond the  
18 established workload of managers or executives, mining and petroleum  
19 engineers, geologists, engineers, scientists, researchers, inspectors and  
20 technicians whose broad and superior knowledge, expertise or professional  
21 standing in a specific field contributes to productivity and innovativeness  
22 shall be entitled to receive honorarium subject to rules to be set by the  
23 Department.  
24

25 The Chairmen, Vice Chairmen, Members and Secretariat of governing  
26 boards or technical committees of the Department created by law and  
27 regulations such as, but not limited to, the National Renewable Energy  
28 Board (NREB) and Renewable Energy-Review and Evaluation Committee  
29 (RE-REC) under Republic Act No. 9513 and its Implementing Rules and  
30 Regulations and its subsequent issuances, the National Biofuels Board  
31 (NBB) under Republic Act No. 9367, Review and Evaluation Committee of  
32 the Philippine Energy Contracting Round (REC-PECR) under Presidential  
33 Decree No. 1442 and its subsequent issuances and implementing  
34 guidelines, including that of the Department's attached agencies, shall be  
35 entitled to reasonable honorarium as prescribed by the Department of  
36 Budget and Management, and reimbursement of actual expenses incurred  
37 for their attendance during meetings, seminars, conferences and official  
38 functions subject to usual accounting and auditing rules and regulations.  
39

40 (b) **Hazard Allowance.** – Energy personnel involved in hazardous undertakings  
41 or assigned in hazardous workplaces to conduct periodic inspection,  
42 evaluation and monitoring of energy related projects and activities shall be  
43 paid hazard allowance which is the five percent (5%) of their monthly basic  
44 salary. The following shall be considered hazardous workplaces:  
45

- 46 (1) Radiation-exposed laboratories and service workshops;
- 47 (2) Remote/depressed areas;
- 48 (3) Areas declared under a state of calamity or emergency;
- 49 (4) Strife-torn or embattled areas;
- 50 (5) Laboratories and other disease-infested areas;
- 51 (6) Electrical machine and mechanical rooms;
- 52 (7) Pressure vessels and other steam generating facilities; or
- 53 (8) Areas, establishments or energy and energy-related facilities where  
54 energy personnel or inspectors are directly or imminently exposed  
55 to hazardous vapors, products and toxic fumes (and substances)

1 such as, gasoline stations, oil depots, terminals, auto-LPG  
2 dispensing stations and gas refilling plants

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

7  
8 (d) **Medical Examination.** – During the tenure of their employment, energy  
9 personnel shall be given a compulsory free medical examination once a year  
10 and immunization as the case may warrant. The medical examination shall  
11 include:

- 12 (1) Complete physical examination;
- 13 (2) Routine laboratory, Chest X-ray and ECG;
- 14 (3) Psychometric examination;
- 15 (4) Dental Examination; and
- 16 (5) Other indicated examination authorized by the Department  
17 Secretary.

18  
19  
20 (e) **Collective Negotiation Agreement (CNA).** – Energy personnel shall be  
21 given the right to enter into Collective Negotiation Agreements including the  
22 grant of benefits thereof in accordance with applicable rules and  
23 regulations. Provided, That for employees of government-owned and  
24 controlled corporations and financial institutions, the CNA may only be  
25 granted upon showing of the agency's fiscal and financial viability; and  
26

27 (f) **Hardship Allowance.** – Energy workers who performed physical work  
28 performed in hazardous environments such as, the conduct of inspections,  
29 evaluation and monitoring of energy-related activities and projects be  
30 covered by Hardship Allowance of Five Hundred Pesos (Php500.00) per day.  
31

32 **SEC. 8. Scholarships and Grants.** – Energy personnel in public and private  
33 sectors shall be entitled to avail of scholarship benefits and grants pursuing  
34 graduate, post-graduate or training courses in accordance with a Scholarship  
35 Program to be implemented by the Department. Grantees of the program may  
36 study within the Philippines or abroad provided that the Department shall  
37 provide strict measures to ensure their return to the country to render the  
38 service obligation.

39  
40 Failure to completely render the required service obligation shall merit the  
41 filing of administrative and criminal charges by the Department before the Civil  
42 Service Commission (CSC) and other appropriate offices.

43  
44 Scholarship privileges may be on a full-time or part-time basis and shall  
45 include tuition fee, book allowance, transportation allowance, monthly stipend,  
46 dissertation grants, insurance and the payment of regular salary and other  
47 benefits.

48  
49 For this purpose, the Human Resource Development Council created under  
50 Republic Act No. 8248 shall formulate the rules and regulations to implement  
51 the Scholarship Program provided in this Act.

52  
53 **SEC. 9. Offering of Energy Related Degree Programs and Trainings in**  
54 **Higher Education Institutions.** To further enhance the implementation of the  
55 policies under Section 2 of this Act, offering of energy related degree programs  
56 shall be mandatory to State Universities and Colleges (SUCs) with mandates

1 and curricular offerings or programs provided in their respective Charters that  
2 include, among others, energy, geology, science and technology.

3  
4 To fully implement this provision, SUCs offering energy related programs shall  
5 be entitled to automatic additional budget of not less than five (5%) percent of  
6 their respective annual appropriations to be used for the personnel services,  
7 MOOE and capital outlay necessary to ensure sustainability of the energy  
8 related degree programs in their respective schools. Furthermore, the Secretary  
9 of the Department or his/her authorized representative shall be member of the  
10 governing board of SUCs and private institutions offering energy related  
11 programs to ensure that it shall be complementary and contributory to the  
12 Philippine Energy Plan and thrusts of the national government. The Secretary  
13 or his/her duly authorized representative shall be entitled to the rights and  
14 privileges of a regular member of the governing board pursuant to Republic Act  
15 No. 8292, otherwise known as the "Higher Education Modernization Act of  
16 1997" and the charters of SUCs concerned.

17  
18 Furthermore, the Department shall endeavor to establish partnerships with  
19 public and private institutions for the establishment and operations of training  
20 institutes to cater to the professional, technical, administrative or managerial  
21 and executive enhancement and training needs of the energy personnel and  
22 interested individuals in the energy sector. Such amount necessary for the  
23 implementation of this provision shall be incorporated in the annual budget of  
24 the Department.

25  
26 **SEC. 10. Prohibition Against Diminution and/or Elimination.** – Nothing in  
27 this law shall be construed to eliminate or in any way diminish benefits being  
28 enjoyed by energy personnel at the time of the effectivity of this Act.

29  
30 **SEC. 11. Hiring of Retired Energy Personnel.** An employee retired under any  
31 existing law, who, in the judgment of the Secretary of the Department,  
32 possesses managerial or technical qualifications and the capability to  
33 undertake energy related activities, may be rehired on contractual basis  
34 without refunding the unexpired portion of the gratuity and accumulated leave  
35 benefits received by him/her from the Government: Provided, That no qualified  
36 energy expert or applicant is available to undertake said energy activities.

37  
38 **SEC. 12. Government Scholars and Training Grantees.** – Graduates or  
39 grantees of government energy scholarship programs or trainings shall be given  
40 temporary waiver of CSC eligibilities for at least two (2) years and preferential  
41 access to financial grants from any government agency authorized to extend  
42 grants and loans with easy terms from government financing institutes, for  
43 energy projects which are viable and in line with the development thrust of the  
44 country.

45  
46 **SEC. 13. Enhancement of Corporate Social Responsibility (CSR) Programs  
47 in the Energy Sector.** – The Department shall devise mechanism that shall  
48 enhance the Corporate Social Responsibility (CSR) Programs of the energy  
49 sector which shall redound to the benefit of the general welfare of the host local  
50 government units (LGUs) and of energy activities or projects.

51  
52 The CSR commitment fund of every energy contractor shall be determined by  
53 the Department and the same be integrated in the service or operating  
54 contracts to be executed between the Department and the contractor subject to  
55 applicable laws, rules and regulations.

56

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

5  
6 **SEC. 14. Energy Awards.** – There shall be established Energy Awards  
7 Committee which shall confer annually the Energy Awards for outstanding  
8 achievement/s and excellence or original contribution to energy development,  
9 exploration, commercialization, utilization, transmission and distribution.

10  
11 The Committee, to be constituted by the Secretary of the Department within  
12 fifteen (15) days upon the effectivity of this Act, shall promulgate the guidelines  
13 in implementing this Section and shall specify the categories of awards to be  
14 given and the amount of financial reward for each category. Further, the Chair,  
15 Vice Chair and Members including the Technical Staff of the Committee shall  
16 be entitled with the benefits provided under 2<sup>nd</sup> paragraph of Section 7 (a) of  
17 this Act.

18  
19 **SEC. 15. Authority of the Department to Collect, Manage and Disburse**  
20 **Income.** – To supplement the implementation of this Act, the Department is  
21 hereby authorized to collect any amount for the royalties from the energy  
22 activities and projects due for the government as provided under Section 7 (b)  
23 including, among others, the application, processing or supervision and  
24 regulation fees, signing bonus, training assistance, scholarship programs, and  
25 development assistance and such other reasonable fees and charges for the  
26 application and awarded service and operating contracts.

27  
28 All incomes generated by the Department shall be deposited in trust accounts  
29 in the authorized government depository banks to be exclusively managed and  
30 disbursed by the Department subject to usual accounting and auditing rules  
31 and regulations.

32  
33 To attain the mandate and objective of this provision, the Secretary of the  
34 Department shall create separate Compliance Services with divisions for  
35 renewable energy resources, conventional energy resources, and the DOE-  
36 administered funds from power producer/energy resource developers and such  
37 other units. The organizational staffing patterns of these Compliance Services  
38 and its divisions or units shall be submitted to the Department of Budget and  
39 Management for approval.

40  
41 **SEC. 16. Establishment and Management of the Regional Offices.** – To  
42 further enhance the efforts proper and efficient protection and utilization of  
43 energy resources there is a need to strengthen the regulatory powers and  
44 functions of the Department of Energy. Toward this end, the Secretary of the  
45 Department is hereby authorized to create a Regional Office for every regional  
46 subdivision in the Philippines with adequate manpower, facilities, equipment  
47 and resources necessary in carrying out their respective mandates, regulatory  
48 authority, and duties.

49  
50 The Regional Offices shall be under the direct administrative supervision and  
51 control of the Office of the Secretary or any designated official of the  
52 Department and each shall be headed by a Regional Director who shall be  
53 assisted by at least two (2) Assistant Regional Directors and Chiefs and staff of  
54 various administrative and technical divisions in accordance with the  
55 organizational staffing patterns approved by the Department of Budget and  
56 Management.

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

4  
5 Hiring, promotions and other personnel actions of the officials and employees  
6 shall be subject to applicable laws, rules and regulations.

7  
8 **SEC. 17. Research and Development (R&D) on Energy.** The Department  
9 shall, in consultation with the stakeholders, formulate a short-term, medium-  
10 term and long-term Research and Development (R&D) on Energy  
11 complementary to the Philippine Energy Plan (PEP) and local and national  
12 development plans and thrusts.

13  
14 To fully implement this provision, the Department Secretary is hereby  
15 authorized to create and prescribe the functions and duties of the Energy  
16 Research and Development Office (ERDO) under the direct supervision of the  
17 Office of the Secretary or his authorized representative. The organizational and  
18 staff pattern including the hiring of the Director, Division Chiefs and other  
19 personnel of the ERDO shall be subject to the approval of the DBM and in  
20 accordance with the pertinent Civil Service Commission and other applicable  
21 laws, rules and regulations.

22  
23 **SEC. 18. Funding.** – The amount necessary to fully implement this Act shall  
24 be provided in the General Appropriations Act (GAA) of the year following its  
25 enactment into law under the budgetary appropriations of the DOE and  
26 concerned agencies.

27  
28 **SEC. 19. Annual Report.** – The Secretary of the Department shall submit to  
29 the Congressional Commission on Energy, an annual report of the status of  
30 implementation of this Act.

31  
32 **SEC. 20. Implementing Rules and Regulations (IRR).** – The Secretary of the  
33 Department, in consultation with government and nongovernment agencies  
34 involved in energy activities and projects, shall formulate the implementing  
35 rules and regulations to carry out the provisions of this Act.

36  
37 **SEC. 21. Repealing Clause.** – All laws, decrees, orders, rules and regulations,  
38 or parts thereof, inconsistent with the provisions of this Act are hereby  
39 amended or repealed accordingly.

40  
41 **SEC. 22. Separability Clause.** – The provisions of this Act are hereby declared  
42 separable. In the event that any provision hereof is rendered unconstitutional,  
43 those that are not affected shall remain valid and effective.

44  
45 **SEC. 23. Effectivity.** – This Act shall take effect fifteen (15) days after its  
46 publication in two (2) newspapers of general circulation.

47  
48 Approved,