

SEVENTEENTH CONGRESS OF THE REPUBLIC)
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Senate
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SENATE

P. S. Res. No. 40

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

A 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

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 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;

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

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

WHEREAS, the DOE monitors 29 active petroleum service contracts, 78 coal operating contracts and 220 Renewable Energy Service Contracts;¹

WHEREAS, the DOE has already identified 16 prospective sedimentary basins representing an area of 700,000 square kilometers with a combined potential of 4,777

¹ Department of Energy, "2014 Energy Sector Accomplishment Report."

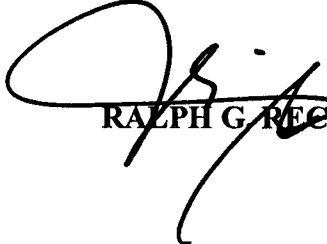
million barrels of fuel equivalent² whose sites are located within the Cagayan Valley Basin in the north, Agusan-Davao basin, Northwest Palawan Basin and the Sulu Sea Basin along the western flank of the archipelago;

WHEREAS, eleven petroleum areas and fifteen coal areas were offered in the Philippine Energy Contracting Round 5 launched in 2015;

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

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate to direct the 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.

Adopted,


RALPH G. RECTO

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² Philippine Resources: Mining, Petroleum and Energy Journal. "DOE offers oil and coal exploration opportunities". <http://philippine-resources.com/doe-offers-oil-and-coal-exploration-opportunities/>