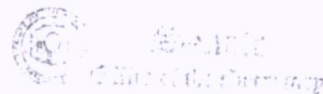


SENATE

P.S. Res. No. 916



'18 OCT 10 P2:04

Introduced by SEN. WIN GATCHALIAN

R

[Signature]

**A RESOLUTION DIRECTING THE APPROPRIATE SENATE
COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,
ON THE NATIONAL STRATEGY TO ENSURE ENERGY SECURITY AND
ENERGY SELF-SUFFICIENCY IN VIEW OF THE CONTINUING
INCREASES IN WORLD OIL PRICES**

WHEREAS, it is a declared policy of the State to ensure a continuous, adequate, and economic supply of energy with the end in view of achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management, and development of indigenous energy resources, and to rationalize, integrate, and coordinate the various programs of the Government towards self-sufficiency;¹

WHEREAS, the policy of self-reliance and self-sufficiency through the development of indigenous energy resources has been repeatedly emphasized through various legislation such as Presidential Decree No. 87 or the "Oil Exploration and Development Act of 1972", Republic Act No. 7156 or the "Mini-Hydroelectric Power Incentive Act", Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001", Republic Act No. 9367 or the "Biofuels Act of 2006", and Republic Act No. 9513 or the "Renewable Energy Act of 2008";

WHEREAS, the Department of Energy (DOE) is mandated to carry out the abovementioned policy,² and in so doing has included energy security in its nine-point Energy Sector Strategic Directions for 2017 to 2040;³

WHEREAS, the need for energy security is further emphasized by the fact that the country imports 44.7% of its total primary energy supply, exposing it to price volatilities in the world market;⁴

WHEREAS, of the 44.7% imported energy, 33.55% is oil, 10.85% is coal, and 0.32% is biofuel;⁵

¹ Section 2, Republic Act No. 7638 (1992).

² Section 4, Republic Act No. 7638 (1992).

³ Philippine Energy Plan 2017-2040: Sectoral Plans and Roadmaps.

⁴ Slide 10, Philippine Energy Plan 2017-2040, presented by DOE Energy Policy and Planning Bureau.

⁵ Id.

WHEREAS, the transport sector is the dominant consumer of oil with 92.7% of its consumption coming from the said resource;⁶

WHEREAS, rising oil world prices have resulted to consecutive increases in the domestic market⁷ with 3 October 2018 diesel and gasoline prices shooting up by Php 5.45 and Php 6.30 respectively from 25 July 2018 prices;⁸

WHEREAS, this is further exacerbated by the higher excise tax on oil due to the passage of Republic Act No. 10963 or the "Tax Reform for Acceleration and Inclusion (TRAIN);

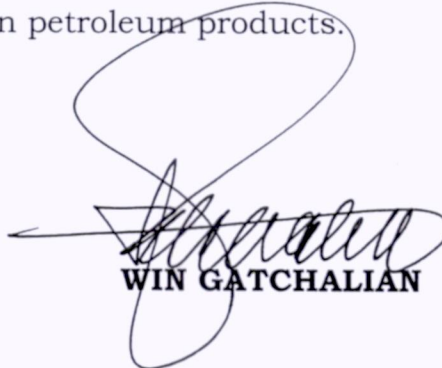
WHEREAS, according to the Philippine Statistics Authority, transport prices, together with food and utility prices, led the 6.7% inflation in September 2018 worsened by the ascending oil prices;⁹

WHEREAS, DOE has committed to implement measures to mitigate the effect of continuous price increase in the world market, and to oversee the proper implementation of TRAIN, in so far as taxes on petroleum products are concerned;¹⁰

WHEREAS, despite these efforts, it is necessary to be apprised of DOE's strategic framework to achieve energy security and energy self-sufficiency to prevent similar situations from arising in the future;

NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on DOE's national strategy to ensure and promote energy security and energy self-sufficiency including its outlook and recommendations to cushion the effect of continuing increases in oil prices, and the proper implementation of tax on petroleum products.

Adopted,



WIN GATCHALIAN

⁶ Page 12. Philippine Energy Plan 2016-2030.

⁷ Hefty price hike: P1.45 for diesel, P1 for gas. Source: <https://www.philstar.com/headlines/2018/10/09/1858553/hefty-price-hike-p145-diesel-p1-gas> posted on 9 October 2018.

⁸ Department of Energy Oil Monitor as of 03 October 2018 and as of 25 July 2018.

⁹ Economists watch if inflation has peaked. Source: <https://www.bworldonline.com/economists-watch-if-inflation-has-peaked/> posted on 8 October 2018.

¹⁰ Another big oil-price hike; government pushed relief measures. Source: <https://businessmirror.com.ph/another-big-oil-price-hike-government-pushes-relief-measures/> posted on 2 October 2018.