

SENATE

20 JAN 27 P2:11

COMMITTEE REPORT NO. 34

RECEIVED BY: 

Submitted jointly by the Committees on Energy, Science and Technology, Ways and Means and Finance on JAN 27 2020

Re: Senate Bill No. 1296

Recommending its approval in substitution of Senate Bill No. 172.

Sponsor: **Senator Sherwin T. Gatchalian**

The Committees on Energy, Science and Technology, Ways and Means, and Finance to which was referred Senate Bill No. 172, introduced by Senator Sherwin T. Gatchalian, entitled:

**"AN ACT ESTABLISHING THE PHILIPPINE ENERGY RESEARCH AND POLICY INSTITUTE, DEFINING ITS OBJECTIVES, POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES"**

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached bill, **Senate Bill No. 1296** entitled:

**"AN ACT ESTABLISHING THE PHILIPPINE ENERGY RESEARCH AND POLICY INSTITUTE, DEFINING ITS OBJECTIVES, POWERS, AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES"**

be approved in substitution of **Senate Bill No. 172**, with **Senator Gatchalian** as author thereof.

Respectfully submitted:

**CHAIRPERSONS:**



**SEN. MARIA LOURDES NANCY S. BINAY**  
*Committee on Science and Technology*  
*Member, Committee on Energy*  
*Committee on Finance*



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**SEN. RICHARD J. GORDON**  
*Committee on Finance*  
*Member, Committee on Energy*  
*Committee on Ways and Means*

*May interpellate &  
introduce amendments.*



**SEN. JOEL VILLANUEVA**  
*Committee on Finance*  
*Member, Committee on*  
*Science and Technology*

**SEN. IMEE R. MARCOS**  
*Committee on Finance*  
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*and Means*

*Risa Hontiveros*  
**SEN. RISA HONTIVEROS**  
*Committee on Finance  
Member, Committee on Energy  
Committee on Ways and Means*



*With interpellate /  
amend*  
**MEMBERS:**

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*Committee on Energy  
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President Pro-Tempore



**SEN. JUAN MIGUEL "Migz" F. ZUBIRI**  
Majority Leader



**SEN. FRANKLIN M. DRILON**  
Minority Leader

**HON. VICENTE C. SOTTO III**  
Senate President



**SENATE**  
**Senate Bill No. 1296**

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In substitution of Senate Bill No. 172

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Prepared and submitted jointly by the Committees on Energy, Science and Technology, Ways and Means, and Finance with Senator Gatchalian as author thereof

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**AN ACT**  
**ESTABLISHING THE PHILIPPINE ENERGY RESEARCH AND POLICY**  
**INSTITUTE, DEFINING ITS OBJECTIVES, POWERS, AND FUNCTIONS,**  
**PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1           Section 1. *Title.* This Act shall be known as the "Philippine Energy Research  
2 and Policy Institute Act".

3  
4           *Sec. 2. Declaration of Policy.* – It is hereby declared the policy of the State to  
5 ensure energy security, equity, and sustainability. Towards this end, it is also the  
6 policy of the State to:

- 7           a) Enhance knowledge in recent developments and scientific breakthroughs in  
8           the field of energy;
- 9           b) Identify key policy areas, issues, and challenges in the country's energy  
10           sector; and
- 11           c) Formulate multidisciplinary research-based policies and strategies for the  
12           cost-effective use of energy resources towards environmentally-sound  
13           energy development.

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Sec. 3. *Establishment of the Philippine Energy Research and Policy Institute.* - Pursuant to the national policy of enhancing the country's capability for energy research and policy development, there is hereby established in the University of the Philippines (UP), a Philippine Energy Research and Policy Institute, hereinafter referred to as the Institute. The Institute shall be under the Office of the UP President.

Sec. 4. *Objectives of the Institute.* – The objectives of the Institute are:

- a) To conduct pertinent multidisciplinary energy research and policy development on energy issues;
- b) To promote collaborative and multidisciplinary energy research and policy development among government agencies, the academe, and other public and private stakeholders;
- c) To maintain its independence and to ensure research endeavors shall not be influenced or constrained by political affiliations, technological bias, or other presuppositions;
- d) To ensure the coordination and timely dissemination of results to key government agencies to guide policy and decision-making processes;
- e) To provide timely technical assistance to the government on energy issues needing policy direction and advice;
- f) To provide strategic assistance to the government on energy policy issues and other related matters;
- g) To establish mechanisms for the dissemination and utilization of research and policy development outputs;
- h) To create and administer training programs and provide fellowship grants intended to build the capacity of government agencies, the academe including graduate and post-graduate students, and public and private energy stakeholders; and
- i) To serve as a medium in bringing together local and international experts in the field of energy through local and international linkages.

1           Sec. 5. *Functions and Powers of the Institute.* – The Institute shall:

- 2           a) Formulate and conduct research and development on energy, energy  
3           technology, public policy issues in energy markets, and other pressing issues  
4           and problems including the environment and health impacts of energy policies  
5           and programs, all backed by rigorous empirical evidence;
- 6           b) Establish linkages with government agencies, other universities, and private  
7           and public institutions on existing energy research and policy studies;
- 8           c) Establish research and policy development programs and capacity-building  
9           trainings on energy;
- 10          d) Provide common research support facilities and maximize the utilization of its  
11          expert support staff;
- 12          e) Enhance the masters and doctoral pool of researchers and faculty in the field  
13          of energy;
- 14          f) Establish local and foreign linkages in energy research and policy development;
- 15          g) Serve as the repository of all energy-related researches, studies, and data  
16          generated by the Institute and other academic, public, and private groups,  
17          organizations, and institutions;
- 18          h) Propose and allocate its annual budgetary resources and optimize resource  
19          generation and utilization;
- 20          i) Invest its funds in such undertaking as it may deem wise or necessary to carry  
21          out its objectives, with due consideration to pertinent laws, rules, regulations,  
22          and existing guidelines on investing government funds in coordination with the  
23          Bureau of Treasury; and
- 24          j) Receive and manage grants, aid, donations, or any kind of assistance for  
25          achieving its objectives, in accordance with the rules and regulations of UP.

26                The UP President, upon recommendation of the Executive Board, may give  
27                additional powers and functions to the Institute: *Provided*, That it shall be in  
28                accordance with the objectives of the Institute as stated in this Act.

29

30                Sec. 6. *Organizational Structure.* – The Executive Director shall head the  
31                Institute and shall report to the UP President. The Institute’s research and policy



1 direction and priorities shall be determined by an Executive Board and implemented  
2 by the Executive Director.

3  
4 *Sec. 7. The Executive Director.* – The Executive Director shall be a recognized  
5 expert in energy research and policy development with at least three (3) years'  
6 experience in energy, shall have a strong organizational management background,  
7 and shall serve as such in full-time capacity. The UP President shall appoint the  
8 Executive Director upon the recommendation of the Executive Board sixty calendar  
9 (60) days after the effectivity of the implementing rules and regulations of this Act:  
10 *Provided,* That such Executive Director shall serve for a term of five (5) years which  
11 can be renewed for another five (5) years.

12 Upon assumption, the Executive Director shall:

- 13 a) Publicly disclose any previous employment, consultancy, or any connection  
14 with, and any pecuniary interest in any energy industry participant;  
15 b) Divest of any and all interest in any energy industry participant; and  
16 c) Terminate employment or consultancy with any energy industry participant.

17  
18 *Sec. 8. Functions and Powers of the Executive Director.* – The Executive  
19 Director of the Institute shall:

- 20 a) Implement and enforce research and policy direction and priorities determined  
21 by the Executive Board;  
22 b) Exercise administrative and supervisory functions over the planning,  
23 implementation, and evaluation of the policies, programs, and projects of the  
24 Institute;  
25 c) Recommend to the UP President, upon endorsement of the Executive Board,  
26 the following:  
27 i) Organizational structure of the Institute including the position  
28 classification and compensation of employees subject to Section 11 of  
29 this Act,  
30 ii) Appointment of research fellows, officers, and employees of the  
31 Institute: *Provided,* That the pool of research fellows shall include



1 experts and researchers from diverse disciplines, public and private  
2 universities, and other research institutions, and

3 iii) Overall budget of the Institute;

4 d) Submit to the UP President, upon endorsement of the Executive Board, regular  
5 reports on the Institute to include annual reports on operations, status of  
6 programs and projects, and the financial condition of the Institute;

7 e) Quarterly apprise the Executive Board on the programs and projects of the  
8 Institute;

9 f) Within the limits of the authority delegated to the Executive Director by the UP  
10 President, execute contracts, incur obligations, acquire and dispose of assets,  
11 and deliver documents on behalf of the Institute;

12 g) Not engage in any act that may result to a conflict of interest with the  
13 objectives, functions, and powers of the Institute; and

14 h) Exercise and perform such other powers, functions, and duties as may be  
15 authorized or assigned by the UP President, upon recommendation of the  
16 Executive Board and in accordance with the objectives of this Act.

17  
18 *Sec. 9. Executive Board of the Institute.* – There shall be an Executive Board of  
19 the Institute to be composed of seven (7) members with at least one (1)  
20 representative each from the fields of engineering, law, science, statistics, economics,  
21 and public health, either from the academe or the private sector: *Provided,* That five  
22 (5) members shall come from the academe and two (2) members shall come from the  
23 private sector. The members of the Executive Board shall be chosen by the UP  
24 President. Each member shall have a term of three (3) years, which can be renewed  
25 for another three (3) years: *Provided,* That the first two (2) appointees from the  
26 academe and the first appointee from the private sector shall have a term of two (2)  
27 years, which can be renewed for another three (3) years. Any person appointed to  
28 replace a member who has resigned, died, or removed for cause shall serve only the  
29 unexpired portion of the term of the member replaced. The Executive Board shall be  
30 headed by a Chairperson, who shall be selected by the members among themselves:  
31 *Provided,* That the Chairperson shall come from the academe.

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Sec. 10. *Functions and Powers of the Executive Board.* – The Executive Board shall:

- a) Determine the general direction and priorities of the Institute in accordance with this Act;
- b) Determine research and policy areas for study and investigation by the Institute based on its evaluation of the energy policy landscape including the needs and demands of the country and the people;
- c) Provide advice to the Institute on any matter relating to the development of a research or policy area and the administration of research and policy programs;
- d) Endorse to the UP President the following:
  - i) Organizational structure of the Institute including position classification and compensation of employees subject to Section 11 of this Act, in coordination with the Department of Budget and Management,
  - ii) Appointment of research fellows, officers, and employees of the Institute: *Provided*, That the pool of research fellows shall include experts and researchers from diverse disciplines, public and private universities, and other research institutions,
  - iii) Institute’s overall budget;
- e) Generate resources and obtain logistical and financial support for the programs and component units of the Institute: *Provided*, That in so doing, no conflict-of-interest exists with the objectives of this Act and the functions of the Institute;  
and
- f) Recommend to the UP President additional powers, functions, and duties of the Executive Director in accordance with the objectives of this Act.

Sec. 11. *Appointment of Faculty and Staff.* – The human resource complement of the Institute shall be organized and set-up by the Executive Director subject to Sections 8 (c)(i) and 10 (d)(i) of this Act and, the existing rules and regulations of UP.



1           Sec. 12. *Public Access.* – The Institute shall make available to the public its  
2 research papers, data, and other resources by posting these on its website: *Provided,*  
3 That the posted materials shall be in accordance with Section 13 of this Act, its  
4 implementing rules and regulations, and other existing laws, rules, and regulations.  
5

6           Sec. 13. *Confidentiality.* – The Institute shall not post or disclose any proprietary  
7 or confidential data and other resources unless prior consent of the source or owner  
8 of such data and resources has been obtained by the requesting party.  
9

10          Sec. 14. *Special Account for Energy Research.* – A Special Account in the  
11 General Fund (SAGF) for energy research, which shall be maintained and managed by  
12 the Bureau of Treasury, shall be established to support the research undertaken by  
13 the Institute. The SAGF for energy research shall recognize and accept grants,  
14 contributions, and donations collected for energy research and from income accruing  
15 from the operations of the Institute, for purposes of executing its mandate and  
16 functions: *Provided,* That in so doing, no conflict-of-interest exists with the objectives  
17 of this Act and the functions of the Institute.

18          One half (1/2) of one percent (1%) of the current and future years' collections  
19 from all fees, revenues, and receipts from any and all sources including receipts from  
20 service contracts and agreements such as application and processing fees, signature  
21 bonus, discovery bonus, production bonus; all money collected from all  
22 concessionaires, representing unspent work obligations, fines, and penalties under the  
23 Petroleum Act of 1949; and the government share representing royalties, rentals,  
24 production share on service contracts and similar payments on exploration,  
25 development, and exploitation of energy resources forming part of the special fund  
26 under Section 8 of Presidential Decree No. 910, Creating an Energy Development  
27 Board, shall form part of the SAGF for energy research at the time of the effectivity of  
28 this Act and every year thereafter.  
29

30          Sec. 15. *Appropriations.* – For the organizational and operational requirements  
31 of the Institute, there is hereby appropriated out of the General Appropriations Act,  
32 the sum of One Hundred Million Pesos (P100, 000,000.00) for the initial operating



1 fund of the Institute. Thereafter, such amounts necessary for the sustainable  
2 operations of the Institute shall be appropriated from the General Appropriations Act  
3 based on the annual financial plan approved by the UP President and submitted to the  
4 DBM.

5  
6 Sec. 16. *Tax Exemptions.* – The Institute shall be entitled to all the tax  
7 exemptions enumerated under Section 25 of Republic Act No. 9500, otherwise known  
8 as the University of the Philippines Charter of 2008, as amended by Republic Act No.  
9 10963, otherwise known as the Tax Reform for Acceleration and Inclusion Act.

10  
11 Sec. 17. *Implementing Rules and Regulations.* – Within sixty (60) calendar days  
12 from the effectivity of this Act, the University of the Philippines subject to the approval  
13 of the Board of Regents, shall promulgate the necessary implementing rules and  
14 regulations of this Act.

15  
16 Sec. 18. *Separability Clause.* – If any portion or provision of this Act is declared  
17 unconstitutional, the remainder of this Act or any provisions not affected thereby shall  
18 remain in force and effect.

19  
20 Sec. 19. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
21 order, letter of instruction, rule or regulation inconsistent with the provisions of this  
22 Act is hereby repealed or modified accordingly.

23  
24 Sec. 20. *Effectivity.* – This Act shall take effect fifteen (15) days following its  
25 complete publication in the Official Gazette or a newspaper of general circulation.

*Approved,*