

**IX. DEPARTMENT OF ENERGY**

**A. OFFICE OF THE SECRETARY**

**STRATEGIC OBJECTIVES**

**MANDATE** : The Department of Energy is mandated by Republic Act No. 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

**VISION** : Ensuring the best energy choices for a better quality of life

**MISSION** : In partnership with the stakeholders, the Department shall improve the quality of life of the Filipinos by formulating and implementing policies and programs to ensure sustainable, stable, secure, sufficient, accessible and reasonably priced energy.

In pursuit of this mission, the DOE commits to render efficient service with utmost integrity and professionalism.

**KEY RESULT AREAS**

- 1. Integrity of the environment and climate change adaptation and mitigation
- 2. Rapid, inclusive and sustained economic growth

**SECTOR OUTCOME**

- 1. Stable supply and reasonably priced energy
- 2. Energy access expanded
- 3. Good governance in the energy sector

**ORGANIZATIONAL OUTCOME**

- 1. Required energy supply level attained
- 2. Household electrification achieved
- 3. Sustainable production and consumption of energy promoted and achieved

**SECTION 1 : EXPENDITURE PROGRAM  
(in pesos)**

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	268,976,000	272,474,000	310,408,000
	PS	129,968,000	94,456,000	113,504,000
	MOOE	137,808,000	177,852,000	180,363,000
	CO	1,200,000	166,000	16,541,000
000002000000000	Support to Operations	81,921,000	104,695,000	98,545,000
	PS	48,502,000	49,675,000	49,960,000
	MOOE	25,463,000	32,845,000	35,685,000
	CO	7,956,000	22,175,000	12,900,000
000003000000000	Operations	313,857,000	537,222,000	395,456,000
	PS	177,024,000	181,382,000	186,287,000
	MOOE	134,360,000	350,669,000	209,169,000
	CO	2,473,000	5,171,000	
	Projects	238,677,000	3,698,541,000	1,041,966,000
	PS		442,000	473,000
	MOOE	234,417,000	914,599,000	1,011,920,000
	FinEx		93,120,000	
	CO	4,260,000	2,690,380,000	29,573,000
<b>TOTAL AGENCY BUDGET</b>		<b>903,431,000</b>	<b>4,612,932,000</b>	<b>1,846,375,000</b>
	PS	355,494,000	325,955,000	350,224,000
	MOOE	532,048,000	1,475,965,000	1,437,137,000
	FinEx		93,120,000	
	CO	15,889,000	2,717,892,000	59,014,000

## STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	794	870	870
Total Number of Filled Positions	640	648	648

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: ENERGY SECTOR POLICY SERVICES	70,228,000	57,360,000		127,588,000
MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION	38,474,000	71,940,000		110,414,000
MFO 3: ENERGY SECTOR REGULATORY SERVICES	61,521,000	79,869,000		141,390,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016**  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	321,218,000	425,217,000	29,441,000	775,876,000
National Capital Region (NCR)	321,218,000	425,217,000	29,441,000	775,876,000
TOTAL AGENCY BUDGET	321,218,000	425,217,000	29,441,000	775,876,000

**SECTION 3 : SPECIAL PROVISION(S)**

- Proceeds from the Exploration, Development and Exploitation of Energy Resources. In addition to the amounts appropriated herein, One Billion Forty One Million Nine Hundred Sixty Six Thousand Pesos (P1,041,966,000) shall be used to finance energy resource development and exploitation programs and projects sourced from the fees and revenues collected from the exploration, development and exploitation of energy resources in accordance with Section 8 of P.D. No. 910 and Section 21 of R.A. No. 7638.

Release of funds shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The DOE shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on financial and physical accomplishments. The Secretary of Energy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the DOE website.

- Bottom-Up Budgeting Projects. The amount of Forty Three Million Seven Hundred Eighty Three Thousand Two Hundred Pesos (P43,783,200) from fees, fines and revenues collected for the exploration, development and exploitation of energy resources earmarked for Household Electrification Program in Off-Grid Areas using Renewable Energy System shall be used for the Bottom-Up Budgeting (BuB) Projects. LGUs that will implement BuB Projects shall be limited to those that have complied with the requirements of Good Financial Housekeeping under the Seal of Good Local Governance and LGU Public Financial Management Improvement Program pursuant to DBM-DILG-DSWD-NAPC JMC No. 5 dated October 1, 2014 and such other criteria as may be provided in the guidelines.

The DOE shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments of BuB Projects. The Secretary of Energy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said reports are likewise posted through the OpenBuB Portal.

- Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

## SECTION 4 : PERFORMANCE INFORMATION

## KEY STRATEGIES :

1. Institutionalize transparency in the energy sector
2. Facilitate establishment of strategic energy infrastructure
3. Institutionalize DOE-LGU and academic partnership
4. Formulate regional energy plans

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
<b>Required energy supply level attained</b>		
% share of locally available energy resources over total energy resource supply (local + imported energy supply)	Baseline data of 56% for 2010	58.8% energy self-sufficiency level (energy self-sufficiency refers to the volume of locally available energy over total energy supply of the country)
% increase in investments in power sector		100% applications for certificate of endorsement (COE) for investment in the energy sector processed (no. of processed applications over total applications received)
Increased dependable capacity (in MW) (Luzon, Visayas, Mindanao)		Ensure sufficient supply (2014 dependable capacity + committed power projects as of June 2015) a) Luzon: 2016 (13,011 MW) b) Visayas: 2016 (2,577 MW) c) Mindanao: 2016 (3,108 MW)
<b>Household electrification achieved</b>		
Achieve 90% household electrification by 2017		Implement the Household Electrification Development Plans (HEDP)
% increase in households electrified from 2015 to 2016	2010 baseline data: 14,536,372 HHs	Energized households to reach 19,545,183 in 2016 from 14,536,372 energized in 2010 (34% increase). This is equivalent to a household electrification level of 86.20% by 2016.
<b>Sustainable production and consumption of energy promoted and achieved</b>		
% increase in electricity and fuel consumption savings	2010 baseline data: 3,581 thousand tons of oil equivalent (KTOE)	Savings to increase to 4,988 KTOE in 2016
% share of clean energy (renewable+natural gas) resources over total energy resource supply		Share of clean energy over total energy supply will increase from 42.86% (21.89 MTOE) in 2012 to 50.6% (26 MTOE) by 2016
% increase in the use of alternative fuels for transport		Increase biodiesel blend to 5% in 2015 from 2% in 2012; bioethanol blend will increase to 20% by 2020 from the 10% blend in 2011
		Monitor the activities of DOE programs on alternative fuels for transport (auto-LPG, E-Vehicle, Natural Gas Vehicle Program for Public Transport (NGVPPT), CNG)

MFO / PIs	2016 Targets
<b>MFO 1: ENERGY SECTOR POLICY SERVICES</b>	
Average % of stakeholders who rate the plans and policies as satisfactory or better	80%
% of applications for certificate of endorsement (COE) for investment in the energy sector processed	100%
No. of plans and policies updated, formulated, monitored and recommended for adoption and implementation	19
<b>MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION</b>	
Promotion	
No. of promotional events undertaken	104
Technical Assistance	
No. of technical advisories provided to entities	18
% of entities that rated technical service as satisfactory or better	90%
% of request for technical advice responded to within 15 days	85%
Energy Efficiency	
No. of energy efficiency audits provided to government agencies	40
<b>MFO 3: ENERGY SECTOR REGULATORY SERVICES</b>	
Registration and Processing	
No. of applications for permits, service/operating contracts, and accreditations processed	2000
% of energy service contracts/permits/certificates of registration awarded/issued in 9 months	70%
No. of analytical tests conducted in support of energy exploration activities, Biofuels law, RE law, and Clean Air Act within the prescribed period	8000
Supervision and Monitoring	
No. of energy establishments and facilities/power plants monitored and inspected with reports issued	1,000

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	3,299,376	3,469,772	775,876
General Fund			
R.A. No. 10633	3,299,376	3,469,772	775,876
Automatic Appropriations	792,591	1,143,160	1,070,499
Grant Proceeds	6,450	140,902	
Customs Duties and Taxes, including Tax Expenditures	951		
Retirement and Life Insurance Premiums	28,160	27,949	28,533
Special Account	757,030	974,309	1,041,966
Continuing Appropriations	2,601,118	2,674,044	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10352	2,443,380		
Unreleased Appropriation for MOOE			
R.A. No. 10352	136,630		
Unobligated Releases for Capital Outlays			
R.A. No. 10633	20,955	2,449,191	
Unobligated Releases for MOOE			
R.A. No. 10352	153		
R.A. No. 10633		224,853	

Budgetary Adjustment(s)	<u>12,316</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	9,660		
Pension and Gratuity Fund	<u>2,656</u>		
Total Available Appropriations	6,705,401	<u>7,286,976</u>	<u>1,846,375</u>
Unused Appropriations	( 5,801,970)	( 2,674,044)	
Unreleased Appropriation	( 2,580,010)		
Unobligated Allotment	( 3,221,960)	( 2,674,044)	
TOTAL OBLIGATIONS	<u>903,431</u>	<u>4,612,932</u>	<u>1,846,375</u>
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Proposed New Appropriations Language  
 For general administration and support, support to operations, and operations, as indicated hereunder.....P 775,876,000  
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New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
<b>PROGRAMS</b>					
000001000000000	General Administration and Support	<u>105,265,000</u>	<u>180,363,000</u>	<u>16,541,000</u>	<u>302,169,000</u>
103001000100000	General Management and Supervision	P 90,254,000	P 180,363,000	P 16,541,000	P 287,158,000
103001000200000	Administration of Personnel Benefits	<u>15,011,000</u>			<u>15,011,000</u>
Sub-total, General Administration and Support		<u>105,265,000</u>	<u>180,363,000</u>	<u>16,541,000</u>	<u>302,169,000</u>
000002000000000	Support to Operations	<u>45,730,000</u>	<u>35,685,000</u>	<u>12,900,000</u>	<u>94,315,000</u>
103002000100000	Legal Services	10,254,000	3,130,000		13,384,000
103002000200000	Information Technology and Data Management Services	18,765,000	20,244,000	12,900,000	51,909,000
163002000300000	Energy Research Testing and Laboratory Services	16,711,000	10,997,000		27,708,000
103002000400000	Monitoring and evaluation (M & E) activities of Bottom-Up Budgeting Projects		<u>1,314,000</u>		<u>1,314,000</u>
Sub-total, Support to Operations		<u>45,730,000</u>	<u>35,685,000</u>	<u>12,900,000</u>	<u>94,315,000</u>
000003000000000	Operations	<u>170,223,000</u>	<u>209,169,000</u>		<u>379,392,000</u>
000003010000000	MFO 1: ENERGY SECTOR POLICY SERVICES	<u>70,228,000</u>	<u>57,360,000</u>		<u>127,588,000</u>
163003010100000	Formulation, updating and monitoring of short, medium and long term national and regional energy policies, plans and programs	23,444,000	23,573,000		47,017,000

000003010200000	Formulation of policies, plans, and programs	<u>33,664,000</u>	<u>26,979,000</u>	<u>60,643,000</u>
163003010200001	Exploration, development and production of indigenous energy resources (petroleum and coal energy resources)	4,393,000	1,516,000	5,909,000
163003010200002	Alternative fuels and technologies development and utilization, energy efficiency and conservation	1,874,000	561,000	2,435,000
163003010200003	Renewable energy management	12,339,000	11,549,000	23,888,000
163003010200004	Electric power industry to include expanded rural electrification	15,058,000	13,353,000	28,411,000
000003010300000	Formulation of policies and standards	<u>13,120,000</u>	<u>6,808,000</u>	<u>19,928,000</u>
163003010300001	For the oil industry including natural gas	10,587,000	5,598,000	16,185,000
163003010300002	For labeling and lighting	2,533,000	1,210,000	3,743,000
000003020000000	MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION	<u>38,474,000</u>	<u>71,940,000</u>	<u>110,414,000</u>
000003020100000	Promotion of energy development and conservation	<u>38,474,000</u>	<u>64,009,000</u>	<u>102,483,000</u>
163003020100001	Promotion of exploration, development and production of indigenous energy resources (petroleum and coal energy resources)	8,613,000	2,801,000	11,414,000
163003020100002	Promotion of alternative fuels and technologies development and utilization, energy efficiency and conservation	10,257,000	22,963,000	33,220,000
163003020100003	Promotion of oil industry including natural gas	5,078,000	5,479,000	10,557,000
163003020100004	Promotion of electric power industry	5,710,000	9,905,000	15,615,000
163003020100005	Promotion of renewable energy resources	8,816,000	22,861,000	31,677,000
163003020200000	Implementation of the National Biofuels Program		2,792,000	2,792,000
163003020300000	Implementation of the National Renewable Energy Program		5,139,000	5,139,000
000003030000000	MFO 3: ENERGY SECTOR REGULATORY SERVICES	<u>61,521,000</u>	<u>79,869,000</u>	<u>141,390,000</u>
000003030100000	Regulation of the energy resources	<u>17,548,000</u>	<u>27,694,000</u>	<u>45,242,000</u>
163003030100001	Regulation relating to exploration, development and production of indigenous energy resources through research and scientific, physical and calibration testing	6,032,000	2,801,000	8,833,000
163003030100002	Regulations relating to alternative fuels and technologies development and utilization, energy efficiency and conservation	5,406,000	2,034,000	7,440,000
163003030100003	Regulations relating to the exploration, development and production of renewable energy resources	6,110,000	22,859,000	28,969,000
000003030200000	Regulation of the energy industry	<u>16,354,000</u>	<u>26,371,000</u>	<u>42,725,000</u>
163003030200001	Regulation of oil industry including natural gas	14,497,000	16,446,000	30,943,000

163003030200002	Regulation of electric power industry	1,857,000	9,925,000	11,782,000
000003030300000	Extension and enhancement of energy resource exploration, development and utilization; and energy industry management and control activities	27,619,000	25,804,000	53,423,000
163003030300001	Visayas Field Office	12,300,000	10,992,000	23,292,000
163003030300002	Mindanao Field Office	10,894,000	9,871,000	20,765,000
163003030300003	Luzon Field Office	4,425,000	4,941,000	9,366,000
Sub-total, Operations		170,223,000	209,169,000	379,392,000
TOTAL NEW APPROPRIATIONS		P 321,218,000	P 425,217,000	P 29,441,000 P 775,876,000
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Obligations, by Object of Expenditures

CYs 2014-2016  
(In Thousand Pesos)

	2014	2015	2016
<b>Current Operating Expenditures</b>			
<b>Personnel Services</b>			
<b>Civilian Personnel</b>			
Permanent Positions			
Basic Salary	231,886	232,946	237,767
<b>Total Permanent Positions</b>	<b>231,886</b>	<b>232,946</b>	<b>237,767</b>
Other Compensation Common to All			
Personnel Economic Relief Allowance	15,094	15,216	15,552
Representation Allowance	5,720	4,650	4,860
Transportation Allowance	4,043	4,650	4,860
Clothing and Uniform Allowance	3,175	3,170	3,240
Productivity Incentive Allowance	1,214	1,268	
Honoraria	3,634	742	773
Year End Bonus	19,420	19,414	19,811
Cash Gift	3,161	3,170	3,240
Step Increment	162	582	1,065
Collective Negotiation Agreement	16,200		
Productivity Enhancement Incentive	3,240		3,240
Performance Based Bonus	6,322		
<b>Total Other Compensation Common to All</b>	<b>81,385</b>	<b>52,862</b>	<b>56,641</b>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	103	230	230
Magna Carta for Science & Technology Personnel	6,931	8,347	8,347
<b>Total Other Compensation for Specific Groups</b>	<b>7,034</b>	<b>8,577</b>	<b>8,577</b>
Other Benefits			
Retirement and Life Insurance Premiums	27,947	27,949	28,533
PAG-IBIG Contributions	761	757	778
PhilHealth Contributions	2,567	2,107	2,139
Employees Compensation Insurance Premiums	761	757	778
Retirement Gratuity			12,991
Terminal Leave	3,153		2,020
<b>Total Other Benefits</b>	<b>35,189</b>	<b>31,570</b>	<b>47,239</b>
<b>TOTAL PERSONNEL SERVICES</b>	<b>355,494</b>	<b>325,955</b>	<b>350,224</b>
<b>Maintenance and Other Operating Expenses</b>			
Travelling Expenses	63,386	110,518	92,192
Training and Scholarship Expenses	182	5,396	2,591
Supplies and Materials Expenses	30,650	59,768	43,107
Utility Expenses	26,804	37,987	37,838
Communication Expenses	9,891	13,918	13,604

Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	2,757	2,622	2,945
Professional Services	253,576	139,286	60,903
General Services	44,266	304,767	961,504
Repairs and Maintenance	11,458	22,304	21,593
Financial Assistance/Subsidy		2,540	1,314
Taxes, Insurance Premiums and Other Fees	6,466	499,305	9,501
Other Maintenance and Operating Expenses			
Advertising Expenses	2,966	121,330	36,934
Printing and Publication Expenses	709	8,295	8,285
Representation Expenses	26,561	38,244	36,719
Transportation and Delivery Expenses	113	15,259	14,673
Rent/Lease Expenses	27,567	34,738	33,830
Membership Dues and Contributions to Organizations	20	1,410	810
Subscription Expenses	11,345	12,278	13,419
Donations	13,300	46,000	45,375
Other Maintenance and Operating Expenses	31		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>532,048</u>	<u>1,475,965</u>	<u>1,437,137</u>
Financial Expenses			
Other Financial Charges		93,120	
TOTAL FINANCIAL EXPENSES		<u>93,120</u>	
TOTAL CURRENT OPERATING EXPENDITURES	<u>887,542</u>	<u>1,895,040</u>	<u>1,787,361</u>
Capital Outlays			
Investment Outlay		129,000	
Property, Plant and Equipment Outlay			
Buildings and Other Structures		19,845	21,848
Machinery and Equipment Outlay	13,689	116,377	20,985
Transportation Equipment Outlay	2,200	2,452,380	3,281
Furniture, Fixtures and Books Outlay		290	
Intangible Assets Outlay			12,900
TOTAL CAPITAL OUTLAYS	<u>15,889</u>	<u>2,717,892</u>	<u>59,014</u>
GRAND TOTAL	<u>903,431</u>	<u>4,612,932</u>	<u>1,846,375</u>