

IX. DEPARTMENT OF ENERGY

A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	3,469,772	795,440	1,099,009
General Fund	3,469,772	795,440	1,099,009
Automatic Appropriations	1,177,892	1,070,499	1,557,132
Grant Proceeds	140,902		
Customs Duties and Taxes, including Tax Expenditures	34,100		
Retirement and Life Insurance Premiums	28,581	28,533	35,670
Special Account	974,309	1,041,966	1,521,462
Continuing Appropriations	2,674,044	2,701,568	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651		500	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	2,449,191		
R.A. No. 10651		2,444,617	
Unobligated Releases for MOOE			
R.A. No. 10633	224,853		
R.A. No. 10651		256,451	
Budgetary Adjustment(s)	79,495		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	36,407		
Pension and Gratuity Fund	3,088		
Overall Savings			
R.A. No. 10651	40,000		
Total Available Appropriations	7,401,203	4,567,507	2,656,141
Unused Appropriations	(4,572,801)	(2,701,568)	
Unreleased Appropriation	(500)	(500)	
Unobligated Allotment	(4,572,301)	(2,701,068)	
TOTAL OBLIGATIONS	2,828,402	1,865,939	2,656,141

EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	324,654,000	315,141,000	292,378,000
	PS	142,572,000	118,237,000	117,429,000
	MOOE	181,950,000	180,363,000	174,949,000
	CO	132,000	16,541,000	
000002000000000	Support to Operations	98,180,000	102,812,000	221,238,000
	PS	49,278,000	54,227,000	63,648,000
	MOOE	26,657,000	35,685,000	48,980,000
	CO	22,245,000	12,900,000	108,610,000

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000003000000000	Operations	515,276,000	406,020,000	621,063,000
	PS	190,414,000	196,851,000	259,346,000
	MOOE	318,956,000	209,169,000	361,717,000
	CO	5,906,000		
	Projects	1,890,292,000	1,041,966,000	1,521,462,000
	PS		473,000	520,000
	MOOE	571,945,000	1,011,920,000	1,239,656,000
	CO	1,318,347,000	29,573,000	281,286,000
TOTAL AGENCY BUDGET		2,828,402,000	1,865,939,000	2,656,141,000
	PS	382,264,000	369,788,000	440,943,000
	MOOE	1,099,508,000	1,437,137,000	1,825,302,000
	CO	1,346,630,000	59,014,000	389,896,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	870	870	870
Total Number of Filled Positions	666	687	687

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 1,099,009,000
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: ENERGY SECTOR POLICY SERVICES	97,364,000	109,389,000		206,753,000
MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION	51,298,000	185,448,000		236,746,000
MFO 3: ENERGY SECTOR REGULATORY SERVICES	89,120,000	66,880,000		156,000,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	404,753,000	585,646,000	108,610,000	1,099,009,000
National Capital Region (NCR)	404,753,000	585,646,000	108,610,000	1,099,009,000
TOTAL AGENCY BUDGET	404,753,000	585,646,000	108,610,000	1,099,009,000

SPECIAL PROVISION(S)

1. Proceeds from the Exploration, Development and Exploitation of Energy Resources. In addition to the amounts appropriated herein, One Billion Five Hundred Twenty One Million Four Hundred Sixty Two Thousand Pesos (P1,521,462,000) 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 Speaker of the House of Representatives and the President of the Senate of the Philippines, 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.

2. Assistance to Disadvantaged Municipalities. The amount of Seven Million Four Hundred Twenty Three Thousand Five Hundred Thirty Five Pesos (P7,423,535) sourced from fees, fines and revenues collected from 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 assistance to disadvantaged municipalities which shall be determined based on the magnitude of poor families, vulnerability to disasters, and other criteria as may be established by the DILG, in consultation with the DBM. The LGU beneficiaries shall be limited to disadvantaged municipalities that are able to: (i) meet the requirements of the DILG Seal of Good Financial Housekeeping; and (ii) assess their Public Financial Management systems and adopt the corresponding improvement measures.

The DOE shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments of the 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 on the DOE website.

3. 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:

New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures			Total
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
PROGRAMS					
000001000000000	General Administration and Support	108,573,000	174,949,000		283,522,000
103001000100000	General Management and Supervision	P 100,428,000	P 174,949,000	P	275,377,000
103001000200000	Administration of Personnel Benefits	8,145,000			8,145,000
Sub-total, General Administration and Support		108,573,000	174,949,000		283,522,000
000002000000000	Support to Operations	58,398,000	48,980,000	108,610,000	215,988,000
103002000100000	Legal Services	14,486,000	6,525,000		21,011,000
103002000200000	Information Technology and Data Management Services	23,933,000	32,089,000	108,610,000	164,632,000
163002000300000	Energy Research Testing and Laboratory Services	19,979,000	10,143,000		30,122,000

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103002000500000	Monitoring and Evaluation for the Assistance to Municipalities' Projects		223,000	223,000
Sub-total, Support to Operations		58,398,000	48,980,000	108,610,000
000003000000000	Operations	237,782,000	361,717,000	599,499,000
000003010000000	MFO 1: ENERGY SECTOR POLICY SERVICES	97,364,000	109,389,000	206,753,000
163003010100000	Formulation, updating and monitoring of short, medium and long term national and regional energy policies, plans and programs	29,589,000	48,553,000	78,142,000
000003010200000	Formulation of policies, plans, and programs	50,440,000	33,680,000	84,120,000
163003010200001	Exploration, development and production of indigenous energy resources (petroleum and coal energy resources)	6,827,000	5,497,000	12,324,000
163003010200002	Alternative fuels and technologies development and utilization, energy efficiency and conservation	2,458,000	6,068,000	8,526,000
163003010200003	Renewable energy management	17,742,000	8,120,000	25,862,000
163003010200004	Electric power industry to include expanded rural electrification	23,413,000	13,995,000	37,408,000
000003010300000	Formulation of policies and standards	17,335,000	27,156,000	44,491,000
163003010300001	For the oil industry including natural gas	13,396,000	9,122,000	22,518,000
163003010300002	For labeling and lighting	3,939,000	18,034,000	21,973,000
000003020000000	MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION	51,298,000	185,448,000	236,746,000
000003020100000	Promotion of energy development and conservation	51,298,000	169,024,000	220,322,000
163003020100001	Promotion of exploration, development and production of indigenous energy resources (petroleum and coal energy resources)	11,820,000	15,973,000	27,793,000
163003020100002	Promotion of alternative fuels and technologies development and utilization, energy efficiency and conservation	12,356,000	66,169,000	78,525,000
163003020100003	Promotion of oil industry including natural gas	7,463,000	17,949,000	25,412,000
163003020100004	Promotion of electric power industry	7,066,000	24,202,000	31,268,000
163003020100005	Promotion of renewable energy resources	12,593,000	44,731,000	57,324,000
163003020200000	Implementation of the National Biofuels Program		13,091,000	13,091,000
163003020300000	Implementation of the National Renewable Energy Program		3,333,000	3,333,000

00000303000000	MFO 3: ENERGY SECTOR REGULATORY SERVICES	89,120,000	66,880,000	156,000,000
000003030100000	Regulation of the energy resources	21,651,000	19,534,000	41,185,000
163003030100001	Regulation relating to exploration, development and production of indigenous energy resources through research and scientific, physical and calibration testing	6,941,000	2,996,000	9,937,000
163003030100002	Regulations relating to alternative fuels and technologies development and utilization, energy efficiency and conservation	6,017,000	660,000	6,677,000
163003030100003	Regulations relating to exploration, development and production of renewable energy resources	8,693,000	15,878,000	24,571,000
000003030200000	Regulation of the energy industry	24,145,000	24,093,000	48,238,000
163003030200001	Regulation of oil industry including natural gas	21,496,000	15,963,000	37,459,000
163003030200002	Regulation of electric power industry	2,649,000	8,130,000	10,779,000
000003030300000	Extension and enhancement of energy resource exploration, development and utilization; and energy industry management and control activities	43,324,000	23,253,000	66,577,000
163003030300001	Visayas Field Office	18,823,000	9,538,000	28,361,000
163003030300002	Mindanao Field Office	16,580,000	7,857,000	24,437,000
163003030300003	Luzon Field Office	7,921,000	5,858,000	13,779,000
	Sub-total, Operations	237,782,000	361,717,000	599,499,000
	TOTAL NEW APPROPRIATIONS	P 404,753,000	P 585,646,000	P 108,610,000 P 1,099,009,000
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Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	233,458	237,767	297,244
Creation of New Positions		19,564	
Total Permanent Positions	233,458	257,331	297,244
Other Compensation Common to All			
Personnel Economic Relief Allowance	15,216	15,552	16,488
Representation Allowance	5,309	4,860	4,620
Transportation Allowance	3,982	4,860	4,620
Clothing and Uniform Allowance	3,170	3,240	3,435
Productivity Incentive Allowance	1,200		
Honoraria	818	773	1,020
Mid-Year Bonus - Civilian			24,772

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Year End Bonus	19,485	19,811	24,772
Cash Gift	3,181	3,240	3,435
Step Increment		1,065	1,754
Productivity Enhancement Incentive		3,240	3,435
Total Other Compensation Common to All	<u>52,361</u>	<u>56,641</u>	<u>88,351</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	111	230	138
Magna Carta for Science & Technology Personnel	8,019	8,347	8,440
Other Personnel Benefits	53,059		
Total Other Compensation for Specific Groups	<u>61,189</u>	<u>8,577</u>	<u>8,578</u>
Other Benefits			
Retirement and Life Insurance Premiums	28,553	28,533	35,670
PAG-IBIG Contributions	757	778	824
PhilHealth Contributions	2,102	2,139	2,319
Employees Compensation Insurance Premiums	756	778	824
Retirement Gratuity		12,991	
Terminal Leave	3,088	2,020	7,133
Total Other Benefits	<u>35,256</u>	<u>47,239</u>	<u>46,770</u>
TOTAL PERSONNEL SERVICES	<u>382,264</u>	<u>369,788</u>	<u>440,943</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	59,190	92,192	146,743
Training and Scholarship Expenses	917	2,591	16,845
Supplies and Materials Expenses	50,435	43,107	77,318
Utility Expenses	23,421	37,838	29,848
Communication Expenses	10,284	13,604	14,532
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	2,728	2,945	2,864
Professional Services	86,335	60,903	79,222
General Services	387,591	961,504	1,177,143
Repairs and Maintenance	13,594	21,593	34,036
Financial Assistance/Subsidy		1,314	223
Taxes, Insurance Premiums and Other Fees	210,530	9,501	9,616
Other Maintenance and Operating Expenses			
Advertising Expenses	174,457	36,934	73,265
Printing and Publication Expenses	3,816	8,285	11,186
Representation Expenses	26,010	36,719	38,377
Transportation and Delivery Expenses	58	14,673	500
Rent/Lease Expenses	27,530	33,830	46,315
Membership Dues and Contributions to Organizations	1,113	810	1,143
Subscription Expenses	13,141	13,419	19,979
Donations	8,358	45,375	46,000
Other Maintenance and Operating Expenses			147
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>1,099,508</u>	<u>1,437,137</u>	<u>1,825,302</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,481,772</u>	<u>1,806,925</u>	<u>2,266,245</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	19,841	21,848	22,000
Machinery and Equipment Outlay	114,592	20,985	301,269
Transportation Equipment Outlay	1,212,030	3,281	19,400
Furniture, Fixtures and Books Outlay	167		24,802
Intangible Assets Outlay		12,900	22,425
TOTAL CAPITAL OUTLAYS	<u>1,346,630</u>	<u>59,014</u>	<u>389,896</u>
GRAND TOTAL	<u>2,828,402</u>	<u>1,865,939</u>	<u>2,656,141</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME :

1. Energy Supply Requirement Attained

Energy is one of the key inputs for socio-economic development. Efficient provision of and improvement of access to electricity contribute to economic growth and poverty reduction. Power sector reforms involve the restructuring and privatization of electricity sector, competitive generation and supply sectors, creation of an independent regulator and ensuring adequate, sufficient, stable and sustainable energy supply.

Increased indigenous energy will lessen dependence on imported fuels, promote supply security and reliability, support our environmental goals, and also realizing foreign exchange savings for the country.

2. Energy Access Expanded

The government to continue the expansion of household electrification through the energization of households using available renewable energy sources of a particular off-grid area, among others.

3. Sustainable Energy Production and Consumption

Accelerate the implementation of the National Energy Efficiency and Conservation Program (NEECP) through the issuance of particular product requirements under the Philippine Energy Standards Labeling Program (PESLP).

ORGANIZATIONAL
OUTCOME

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

PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Facilitate investments in the energy sector
2. Accelerate and expand household electrification level nationwide
3. Implement Energy Efficiency Roadmap
4. Implement Alternative Fuels Roadmap
5. Launch and conclude energy contracting rounds
6. Ensure that petroleum products sold to consumers meet the standards for quality and quantity at a reasonable price
7. Ensure that energy facilities comply with health, safety, security and environment standards in the construction, operation and maintenance of energy facilities
8. Update Philippine Energy Plan

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2017 Targets</u>
Required energy supply level attained		
% increase in investments in power sector		100% application for certificates of endorsement (COE) for investment in the energy sector processed (no. of processed applications over total applications)
Increased dependable capacity		Ensure sufficient supply in Luzon, Visayas and Mindanao
% share of locally available energy resources over total energy resource supply		Attain a diversified energy mix

Household electrification achieved

Increase household electrification level

Implement the Household Electrification Development Plans (HEDP)

% increase in households electrified from 2016 to 2017

2010 baseline data: 14,536,372 households

Energized households to reach 20,822,495 in 2017 (43% increase from 2010)

Sustainable production and consumption of energy promoted and achieved

% increase in electricity and fuel consumption savings

2010 baseline data: 3,581 thousand tons of oil equivalent (KTOE)

Savings to increase in 2017

% increase in the use of alternative fuels for transport

Study the increase of biodiesel blend to 5% in 2017 from 2% in 2012

Study the increase of bioethanol blend to 20% by 2020 from 10% in 2011

Implement DOE programs on alternative fuels for transport (auto-LPG, Natural Gas Vehicle Program for Public Transport, among others)

MFO / PIs

2017 Targets

MFO 1: ENERGY SECTOR POLICY SERVICES

Number of plans and policies updated, formulated, monitored and recommended for adoption and implementation
Average % of stakeholders who rate the plans and policies as good or better
% applications of certificate of endorsement for investment in the energy sector processed

4 plans, 20 policies
80%
100%

MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION

Promotion
No. of promotional events undertaken
Energy Efficiency and Conservation
No. of energy efficiency audits provided to government agencies
Technical Assistance
No. of technical advisories provided to entities
% of entities who rated technical advice as good or better

90
45
24
90%

MFO 3: ENERGY SECTOR REGULATORY SERVICES

Registration and Processing
No. of applications for permits, service/ operating contracts, and accreditations processed
No. of analytical tests conducted in support of energy exploration activities, Biofuels Law, RE Law and Clean Air Act within the prescribed period
% of (petroleum and coal) energy service contracts/permits/certificates of registration awarded/issued in 9 months
Supervision and Monitoring
No. of energy establishments and facilities/ power plants monitored and inspected with reports issued

6,956
10,000
70%
4,034

GENERAL SUMMARY
DEPARTMENT OF ENERGY

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. OFFICE OF THE SECRETARY	P 404,753,000	P 585,646,000	P 108,610,000	P 1,099,009,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF ENERGY	P 404,753,000	P 585,646,000	P 108,610,000	P 1,099,009,000
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