

IX. DEPARTMENT OF ENERGY
A. OFFICE OF THE SECRETARY

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	795,440	1,100,786	1,263,227
General Fund	795,440	1,100,786	1,263,227
Automatic Appropriations	1,081,223	1,557,132	1,396,026
Customs Duties and Taxes, including Tax Expenditures	7,023		
Retirement and Life Insurance Premiums	32,234	35,670	42,278
Special Account	1,041,966	1,521,462	1,353,748
Continuing Appropriations	2,701,567	139,762	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651	500		
Unobligated Releases for Capital Outlays			
R.A. No. 10651	2,444,617		
R.A. No. 10717		441	
Unobligated Releases for MOOE			
R.A. No. 10651	256,450		
R.A. No. 10717		139,321	
Budgetary Adjustment(s)	59,917		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	53,316		
Pension and Gratuity Fund	6,601		
Total Available Appropriations	4,638,147	2,797,680	2,659,253
Unused Appropriations	(2,840,117)	(139,762)	
Unreleased Appropriation	(18,645)		
Unobligated Allotment	(2,821,472)	(139,762)	
TOTAL OBLIGATIONS	1,798,030	2,657,918	2,659,253
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EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	358,127,000	292,378,000	392,470,000
Regular	358,127,000	292,378,000	392,470,000
PS	183,905,000	117,429,000	163,085,000
MOOE	158,122,000	174,949,000	229,070,000
CO	16,100,000		315,000
Support to Operations	93,776,000	221,015,000	449,019,000
Regular	93,776,000	221,015,000	449,019,000
PS	54,523,000	63,648,000	120,280,000
MOOE	26,353,000	48,757,000	158,289,000
CO	12,900,000	108,610,000	170,450,000

Operations	<u>357,708,000</u>	<u>623,063,000</u>	<u>1,817,764,000</u>
Regular	<u>357,708,000</u>	<u>623,063,000</u>	<u>464,016,000</u>
PS	193,509,000	259,346,000	231,351,000
MOOE	164,199,000	363,717,000	232,665,000
Projects / Purpose			<u>1,353,748,000</u>
PS			8,064,000
MOOE			1,225,153,000
CO			120,531,000
Projects / Purpose	<u>988,419,000</u>	<u>1,521,462,000</u>	
PS		520,000	
MOOE	961,165,000	1,239,656,000	
CO	27,254,000	281,286,000	
TOTAL AGENCY BUDGET	<u>1,798,030,000</u>	<u>2,657,918,000</u>	<u>2,659,253,000</u>
Regular	<u>809,611,000</u>	<u>1,136,456,000</u>	<u>1,305,505,000</u>
PS	431,937,000	440,423,000	514,716,000
MOOE	348,674,000	587,423,000	620,024,000
CO	29,000,000	108,610,000	170,765,000
Projects / Purpose	<u>988,419,000</u>	<u>1,521,462,000</u>	<u>1,353,748,000</u>
PS		520,000	8,064,000
MOOE	961,165,000	1,239,656,000	1,225,153,000
CO	27,254,000	281,286,000	120,531,000

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	968	972	972
Total Number of Filled Positions	683	729	729

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 1,263,227,000
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OPERATIONS BY PROGRAM	PROPOSED 2018			TOTAL
	PS	MOOE	CO	
NATIONAL AND REGIONAL ENERGY PLANNING PROGRAM	31,670,000	33,836,000		65,506,000
CONVENTIONAL ENERGY DEVELOPMENT PROGRAM	28,841,000	21,294,000		50,135,000
RENEWABLE ENERGY DEVELOPMENT PROGRAM	47,790,000	45,941,000		93,731,000
DOWNSTREAM ENERGY DEVELOPMENT PROGRAM	43,359,000	33,561,000		76,920,000
ELECTRIC POWER INDUSTRY DEVELOPMENT PROGRAM	28,665,000	23,384,000		52,049,000
HOUSEHOLD ELECTRIFICATION DEVELOPMENT PROGRAM	10,206,000	4,649,000		14,855,000
ENERGY EFFICIENCY AND CONSERVATION PROGRAM	13,700,000	40,007,000		53,707,000
ALTERNATIVE FUELS AND TECHNOLOGIES PROGRAM	7,360,000	29,993,000		37,353,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	472,438,000	620,024,000	170,765,000	1,263,227,000
National Capital Region (NCR)	472,438,000	620,024,000	170,765,000	1,263,227,000
TOTAL AGENCY BUDGET	472,438,000	620,024,000	170,765,000	1,263,227,000

SPECIAL PROVISION(S)

- Proceeds from the Exploration, Development and Exploitation of Energy Resources. In addition to the amounts appropriated herein, One Billion Three Hundred Fifty Three Million Seven Hundred Forty Eight Thousand Pesos (P1,353,748,000) 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, the President of the Senate of the Philippines, 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.

- 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			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
10000000000000000000 General Administration and Support	150,784,000	229,070,000	315,000	380,169,000
1000001000010000 General Management and Supervision	145,245,000	229,070,000	315,000	374,630,000
1000001000020000 Administration of Personnel Benefits	5,539,000			5,539,000
Sub-total, General Administration and Support	150,784,000	229,070,000	315,000	380,169,000
20000000000000000000 Support to Operations	110,063,000	158,289,000	170,450,000	438,802,000
2000001000010000 Provision of legal advice, legal counselling and legal support to service contract negotiations and hearings; serves as the official legislative liaison to the Congress of the Philippines	14,077,000	6,403,000	265,000	20,745,000
2000001000020000 Formulation of policies, plans and programs relative to information and communications technology, geo-informatics and data information management. Ensures effective deployment, utilization and maintenance of ICT	25,594,000	89,196,000	154,778,000	269,568,000
2000001000030000 Provision and conduct of laboratory services in support of exploration and development of indigenous energy resources, as well as, to promote energy efficiency through research and calibration testing	23,377,000	14,013,000		37,390,000

4 EXPENDITURE PROGRAM FY 2018 VOLUME II

200000100004000	Extension and enhancement of energy resource exploration, development and utilization; and energy industry management and control activities in the areas of Luzon, Visayas and Mindanao	47,015,000	48,677,000	15,407,000	111,099,000
Sub-total, Support to Operations		110,063,000	158,289,000	170,450,000	438,802,000
3000000000000000	Operations	211,591,000	232,665,000		444,256,000
3100000000000000	00 : Required energy supply level attained	190,531,000	162,665,000		353,196,000
3101000000000000	NATIONAL AND REGIONAL ENERGY PLANNING PROGRAM	31,670,000	33,836,000		65,506,000
310100100001000	Formulation, updating and monitoring of short, medium and long term national and regional energy policies, plans and programs	31,670,000	33,836,000		65,506,000
3102000000000000	CONVENTIONAL ENERGY DEVELOPMENT PROGRAM	28,841,000	21,294,000		50,135,000
310200100001000	Promotion of exploration, development and production of conventional energy resources	14,832,000	9,083,000		23,915,000
310200100002000	Supervision and regulation of exploration, development and production of conventional energy resources and technologies	14,009,000	12,211,000		26,220,000
3103000000000000	RENEWABLE ENERGY DEVELOPMENT PROGRAM	47,790,000	45,941,000		93,731,000
310300100001000	Promotion of renewable energy (RE) resources	9,402,000	21,473,000		30,875,000
310300100002000	Supervision and regulation of exploration, development and utilization of RE resources and technologies	38,388,000	24,468,000		62,856,000
3104000000000000	DOWNSTREAM ENERGY DEVELOPMENT PROGRAM	43,359,000	33,561,000		76,920,000
310400100001000	Promotion of plans and programs to ensure sustainable supply for the downstream oil and natural gas industries	6,759,000	11,954,000		18,713,000
310400100002000	Supervision and regulation of the downstream oil and natural gas industries	36,600,000	21,607,000		58,207,000
3105000000000000	ELECTRIC POWER INDUSTRY DEVELOPMENT PROGRAM	28,665,000	23,384,000		52,049,000
310500100001000	Management of the restructured electric power industry	28,665,000	23,384,000		52,049,000
3106000000000000	HOUSEHOLD ELECTRIFICATION DEVELOPMENT PROGRAM	10,206,000	4,649,000		14,855,000
310600100001000	Supervision and monitoring of the Household Electrification Development Program	10,206,000	4,649,000		14,855,000
3200000000000000	00 : Sustainable consumption of energy promoted and achieved	21,060,000	70,000,000		91,060,000
3201000000000000	ENERGY EFFICIENCY AND CONSERVATION PROGRAM	13,700,000	40,007,000		53,707,000
320100100001000	Supervision, development and implementation of energy efficiency and conservation programs (EECP) and projects	5,968,000	12,666,000		18,634,000

320100100002000	Promotion of EECF activities and projects	5,192,000	26,401,000	31,593,000
320100100003000	Conduct of energy audit services	2,540,000	940,000	3,480,000
320200000000000	ALTERNATIVE FUELS AND TECHNOLOGIES PROGRAM	7,360,000	29,993,000	37,353,000
320200100001000	Promotion of research, development, demonstration and utilization of alternative fuels and technologies	7,360,000	29,993,000	37,353,000
Sub-total, Operations		211,591,000	232,665,000	444,256,000
TOTAL NEW APPROPRIATIONS		P 472,438,000	P 620,024,000	P 170,765,000 P 1,263,227,000

Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	268,610	297,244	352,311
Total Permanent Positions	<u>268,610</u>	<u>297,244</u>	<u>352,311</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	16,109	16,488	17,496
Representation Allowance	5,595	4,620	5,628
Transportation Allowance	4,152	4,620	5,508
Clothing and Uniform Allowance	3,400	3,435	3,645
Honoraria	4,791	1,020	8,564
Mid-Year Bonus - Civilian		24,772	29,356
Year End Bonus	44,374	24,772	29,356
Cash Gift	3,396	3,435	3,645
Step Increment		1,754	880
Collective Negotiation Agreement	17,449		
Productivity Enhancement Incentive	3,394	3,435	3,645
Performance Based Bonus	6,974		
Total Other Compensation Common to All	<u>109,634</u>	<u>88,351</u>	<u>107,723</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	108	138	108
Magna Carta for Science & Technology Personnel	9,843	8,440	10,175
Other Personnel Benefits	5,477		
Total Other Compensation for Specific Groups	<u>15,428</u>	<u>8,578</u>	<u>10,283</u>
Other Benefits			
Retirement and Life Insurance Premiums	32,027	35,670	42,278
PAG-IBIG Contributions	813	824	874
PhilHealth Contributions	2,821	2,319	2,898
Employees Compensation Insurance Premiums	800	824	874
Terminal Leave	1,804	7,133	5,539
Total Other Benefits	<u>38,265</u>	<u>46,770</u>	<u>52,463</u>
TOTAL PERSONNEL SERVICES	<u>431,937</u>	<u>440,943</u>	<u>522,780</u>

Maintenance and Other Operating Expenses

Travelling Expenses	77,397	146,743	204,960
Training and Scholarship Expenses	922	16,845	24,186
Supplies and Materials Expenses	27,416	77,318	67,447
Utility Expenses	23,203	29,848	37,863
Communication Expenses	10,930	14,532	16,898
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	2,723	2,864	3,568
Professional Services	45,574	80,222	101,427
General Services	982,307	1,177,143	1,127,851
Repairs and Maintenance	10,916	34,036	44,749
Taxes, Insurance Premiums and Other Fees	12,036	9,616	9,953
Other Maintenance and Operating Expenses			
Advertising Expenses	3,109	73,265	37,960
Printing and Publication Expenses	1,733	12,186	9,641
Representation Expenses	34,592	38,377	49,780
Transportation and Delivery Expenses	214	500	1,323
Rent/Lease Expenses	38,013	46,315	72,156
Membership Dues and Contributions to Organizations	30	1,143	120
Subscription Expenses	15,294	19,979	25,295
Donations	23,430	46,000	10,000
Other Maintenance and Operating Expenses		147	
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	1,309,839	1,827,079	1,845,177
TOTAL CURRENT OPERATING EXPENDITURES	1,741,776	2,268,022	2,367,957
 Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay			31,221
Buildings and Other Structures	21,848	22,000	40,000
Machinery and Equipment Outlay	18,225	301,269	196,905
Transportation Equipment Outlay	3,281	19,400	13,119
Furniture, Fixtures and Books Outlay		24,802	10,051
Intangible Assets Outlay	12,900	22,425	
TOTAL CAPITAL OUTLAYS	56,254	389,896	291,296
GRAND TOTAL	1,798,030	2,657,918	2,659,253

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Infrastructure development accelerated and operations sustained

ORGANIZATIONAL
OUTCOME : Required energy supply level attained
Sustainable consumption of energy promoted and achieved

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Required energy supply level attained		
% increase in investments in power sector	100% application for COEs processed (317 out of 317)	100% application for certificates of endorsement (COE) for investment in the energy sector processed (no. of processed applications over total applications)
Increased dependable capacity	19,097 MegaWatts (MW) in 2016 vs 16,451 MW in 2015	Ensure sufficient supply in Luzon, Visayas and Mindanao
% share of locally available energy resources over total energy resource supply	56.3%	Attain a diversified energy mix

Household electrification achieved

Increased household electrification level	20,597,320 households electrified	Implement Household Electrification Development Plans (HEDP)
% increase in the households electrified from 2016 to 2017	90.65% electrification level in 2016 vs 89.6% in 2015 (3% increase)	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	0.1% increase (1,918 KTOE-Kilotonne of Oil Equivalent)	Savings to increase in 2017
% increase in the use of alternative fuels for transport	Biodiesel - 8.2% Bioethanol - 34.7%	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)

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: ENERGY SECTOR POLICY SERVICES			
No. of plans and policies updated, formulated, monitored and recommended for adoption and implementation	19	5 plans, 26 policies	11 plans, 56 policies
Average % of stakeholders who rate the plans and policies as good or better	80%	85%	80%
% applications of certificate of endorsement (COE) for investment in the energy sector processed	100%	100%	100%
MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION			
Promotion			
No. of promotional events undertaken	104	158	117
Energy Efficiency and Conservation			
No. of energy efficiency audits provided to government agencies	40	142	45
Technical Assistance			
No. of technical advisories provided to entities	18	34	37
% of entities who rated technical advice as good or better	90%	91%	90%
% of requests for technical advice responded to within 15 days	85%	88%	85%
MFO 3: ENERGY SECTOR REGULATORY SERVICES			
Registration and Processing			
No. of applications for permits, service/operating contracts and accreditations processed	2,000	11,959	6,984
No. of analytical tests conducted in support of energy exploration activities, Biofuels Law, RE Law and Clean Air Act within the prescribed period	8,000	16,527	10,000
% of (petroleum and coal) energy service contracts/permits/certificates of registration awarded/issued in 9 months	70%	141%	70%
Supervision and Monitoring			
No. of energy establishments and facilities/power plants monitored and inspected with reports issued	1,000	3,493	4,035

NOTE : Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2018 Targets
Required energy supply level attained		
NATIONAL AND REGIONAL ENERGY PLANNING PROGRAM		
Outcome Indicators		
1. Percentage of stakeholders rating the energy plans and programs as acceptable	85%	85%
2. Percentage of policy recommendations adopted in the short, medium and long-term national energy plans/programs/targets		75%
Output Indicators		
1. Number of energy plans prepared and updated	2	2
2. Number of statistical research and studies prepared/updated		6
3. Percentage of project evaluation and monitoring conducted on time	75%	80%
CONVENTIONAL ENERGY DEVELOPMENT PROGRAM		
Outcome Indicators		
1. Percentage of awareness of the target audience of the promoted message or technical advice		80%
2. Percentage of conventional energy projects with satisfactory safety performance		80%
3. Percentage increase in investments in conventional energy development		5%
Output Indicators		
1. Number of contracts and/or circulars drafted, prepared and reviewed		3
2. Number of information, education, communication, and other promotional activities conducted on conventional energy development	10	11
3. Number of monitoring activities/inspections conducted on conventional energy projects	92	220
RENEWABLE ENERGY DEVELOPMENT PROGRAM		
Outcome Indicators		
1. Percentage of renewable energy resources over total energy resource supply	5,438 MW	0.16% increase (based on National Renewable Energy Program (NREP) targets)
2. Percentage increase in investments in renewable energy development	137 operating RE plants	2% (from 137 to 140 operating RE plants)
Output Indicators		
1. Percentage of issuances and permits on renewable energy development issued on time	85%	85%
2. Number of information, education, communication, and other promotional activities conducted on renewable energy	20	20
3. Number of inspection conducted on renewable energy development projects	200	282
DOWNSTREAM ENERGY DEVELOPMENT PROGRAM		
Outcome Indicators		
1. Percentage increase in investment in the downstream oil and gas industry, providing quality fuels and safe technology for environment and consumer protection	Php 52.73B in 2015	1% (Dependent on oil company applications)
2. Percentage increase in the number of participants informed on matters in the downstream oil and gas industry	3,095 in 2016	1% (Dependent on the allotted approved budget)
Output Indicators		
1. Percentage of issuances/permits/standards drafted and issued		100%
2. Number of information, education, communication and other promotional activities conducted on the downstream oil and gas sector	20	20
3. Number of downstream oil and gas field work and operational monitoring activities conducted		3,904

ELECTRIC POWER INDUSTRY DEVELOPMENT PROGRAM

Outcome Indicators

1. Reduction in frequency of "red alert" notice	10 in Luzon, 11 in Visayas and 120 in Mindanao	5 in Luzon, 6 in Visayas and 70 in Mindanao
2. Increase in hours operation in off-grid areas with less than 24 hours electricity service	28	55
3. Increase in capacity (MW) that went on line (on-grid)		631 MW in Luzon, 148 MW in Visayas and 670 MW in Mindanao

Output Indicators

Power Sector

1. Number of information, education, and communication activities, promotional events, and public consultations conducted	23	40
2. Number of plans/policies prepared, recommended and/or adopted	11 policies and 3 plans in 2016	40
3. Number of stakeholders assisted through technical support/consultation/assistance		18
4. Number of application for COE for investment in the energy sector processed	55	60

E.R. 1-94 Program

1. Number of MOAs for the establishment of Trust Account under ER 1-94	20	20
2. Number of approved electrification and support projects		100
3. Number of inspected completed projects		20

HOUSEHOLD ELECTRIFICATION DEVELOPMENT PROGRAM

Outcome Indicator

1. Percentage increase in household electrifications	90.7% in 2016 (based on 2010 census)	4.18% increase from 2016 baseline data
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Output Indicators

1. Number of Approved Household Electrification Projects and issued a letter of approval to the concerned distribution utility		20
2. Number of information, education, communication and other promotional activities conducted on household electrification development	8	8
3. Number of household electrification project inspections conducted	3 (4,709 HHs beneficiary of completed projects)	20 (33,000 HHs beneficiary of completed projects)

Sustainable consumption of energy promoted and achieved

ENERGY EFFICIENCY AND CONSERVATION PROGRAM

Outcome Indicators

1. Percentage increase in public awareness on EE & C on fuels and electricity	4,000 participants in 2016	10%
2. Percentage increase in the number of government agencies with energy conservation and efficiency technologies	45 establishments in 2016	10%

Output Indicators

1. Number of information, education, communication, and other promotional activities conducted on energy efficiency and conservation		20
2. Percentage of energy audit in government agencies conducted on time	45 establishments in 2016	10%

ALTERNATIVE FUELS AND TECHNOLOGIES PROGRAM

Outcome Indicator

1. Number of alternative fuels and energy technologies promoted	3	3
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Output Indicators

1. Number of technical assistance/evaluation completed on time		4
2. Number of information, education, communication, and other promotional activities conducted on alternative fuels and technology		10
3. Number of policies formulated/permits issued related to alternative fuels & technologies issued on time		2

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 472,438,000	P 620,024,000	P 170,765,000	P 1,263,227,000
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF ENERGY	P 472,438,000	P 620,024,000	P 170,765,000	P 1,263,227,000