

Legal Basis

- **Republic Act. No. 7638** (December 9, 1992) created the Department of Energy (DOE) and rationalized the organization and functions of government agencies related to energy.
- **Republic Act No. 9136** (June 8, 2001), otherwise known as the Electric Power Industry Reform Act (EPIRA), expanded the functions of DOE to include the supervision of the restructuring of the electricity industry.

Mandate

The Department of Energy (DOE) ensures a continuous, adequate, and economic supply of energy to keep pace with the country's growth and economic development with the end of ultimately achieving self-reliance in its energy requirements through the integrated and intensive exploration, production, management, and development of the country's indigenous energy resources; and through the judicious conservation, renewal, and efficient utilization of energy, taking into consideration the active participation of the private sector in the various areas of energy resource development. The DOE is also responsible for rationalizing, integrating, and coordinating the various programs of the Government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns.

LOGICAL FRAMEWORK (DOE)

Societal Goal

Economic growth towards poverty reduction

Sectoral Goals

An efficient and globally competitive energy sector

Energy self-sufficiency

Organizational Outcomes

Electric power industry restructured

100% of barangays energized

Efficient natural gas and downstream oil industries

Supply and utilization of indigenous and renewable energy and alternative fuels increased

Energy efficiency and conservation strengthened

Major Final Outputs

Energy policies, plans and programs

Overall supervision/ implementation of electric power industry reforms

Overall supervision and implementation of the rural electrification program

Market development and supervision of downstream oil and natural gas industries

Supervision of energy resource exploration, development and utilization

National energy efficiency and conservation programs

P/A/Ps

<p>Conduct sectoral surveys and regular data gathering activities for the improvement of policy studies and plan formulation</p> <p>Formulate policy recommendation thru the conduct of national and regional studies and in support of international commitments</p> <p>Develop/ update energy plans and programs</p> <p>Implement energy investment promotion program</p>	<p>Assess and monitor WESM operation</p> <p>Implement EPIRA</p> <p>Formulate the Power Development Plan (PDP)</p> <p>Consolidate Distribution Development Plan (DDP)</p> <p>Evaluate and approve Transmission Development Plan (TDP)</p> <p>Formulate Missionary Electrification Development Plan (MEDP)</p> <p>Coordinate Power Contingency Plans</p> <p>Manage various issues of stakeholders related to the reforms on generation, transmission and distribution</p> <p>Facilitate and encourage reforms in the structure and operations of distribution utilities for greater efficiency and lower costs</p> <p>Educate the public on the restructuring of the electricity sector</p> <p>Encourage electric power sector participants to provide adequate capacity to meet demand</p>	<p>Implement Energy Regulations No. 1-94, as amended</p> <p>Implement Expanded Rural Electrification Program</p> <p>Implement the Qualified Third Parties Program</p> <p>Implement the Sustainable Solar Market Packages (SSMP)</p> <p>Manage the implementation of the Rural Power Project</p> <p>Develop proposals to mobilize funds for rural electrification activities</p> <p>Manage the implementation of WB-GEF Grant on Electric Cooperative System Loss Reduction Project</p>	<p>Ensure compliance of the downstream oil industry with R.A. No. 8479, No. 8749, No. 7638 and other related issuances, rules and regulations including preparation of fuel and facilities quality standards</p> <p>Pursue downstream oil industry development and reforms</p> <p>Develop, administer, regulate and promote plans and programs in the development of the downstream natural gas industry</p> <p>Conduct information, education and communication campaigns/ briefings relative to downstream oil and natural gas developments</p>	<p>Administer, regulate and promote exploration and development and utilization of renewable energy resources & alternative fuels and technologies</p> <p>Supervise and assess existing energy facilities and development activities</p> <p>Process and approve petroleum, geothermal and coal contracts; ocean, solar, wind & mini-hydro contracts</p> <p>Accredit facilities for the production and utilization of alternative fuels</p> <p>Identify potential renewable energy sites and packaging of attractive RE projects for promotion and implementation</p> <p>Implement locally funded projects on RE resources & alternative fuels</p>	<p>Implement the following programs:</p> <ul style="list-style-type: none"> Power Conservation & Demand-Side Management Program Fuel Conservation Program Voluntary Agreements Program Government Energy Management Program Energy Management Advisory Service Energy Standard and Labeling for household appliances Recognition programs Heat Rate Improvement Program Systems Loss Reduction Program Development and Promotion of Energy Service Companies (ESCOs) Accreditation of energy managers
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PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2007 Actual/ Amount	FY 2008 Target/ Amount	FY 2009 Target/ Amount
MFO 1			
Energy policies, plans and programs	75,547	74,528	189,243
GAA & RLIP	75,547	72,186	88,434
SAGF		2,342	100,809
Performance Indicators:			
No. of energy plans formulated/updated and adopted (PEP - Philippine Energy Plan)	4 (PEP clustered into super regions per GMA's SONA)	4	26
No. of policies formulated & recommended for adoption and implementation	80	16	25
No. of energy programs formulated, adopted and promoted	7	7	9
No. of legal instruments/EOs/ACs/IRRs promulgated/issued			
- Alternative fuels	2	1	1
- Renewable energy			1 (IRR upon approval of RE Bill)
- Natural gas			1 (IRR upon approval of Natural Gas Bill)
- Downstream oil industry			2 (IRR upon approval of LPG Bill/Oil Deregulation amendments)
- Energy efficiency and conservation	1	1	1 (Draft Enercon Bill for submission to Congress)
MFO 2			
Overall supervision/implementation of electric power industry reforms	52,988	46,623	46,663
GAA & RLIP	52,988	46,623	46,663
Performance Indicators:			
No. of Information, Education & Communication (IECs) on power sector reforms conducted	9	6	3 (including Multi-Sectoral Dialogue)
No. of recommendation reports relative to resolution of power-related issues			2
No. of position papers (legislative and policy-related) prepared on power-related issues			8
No. of power reform implementation status report prepared		20	2
No. of Wholesale Electricity Spot Market (WESM) reports addressing emerging market performance issues prepared	3	2	3 (including position papers)
No. of endorsements prepared to assist private sector proponents in the power industry	-	24	Conduct of inter-agency regular meetings
- Permits/contracts/TEC/BOI endorsements on RE for power development	28	as the need arises	30
No. of WESM assessment and monitoring reports prepared	36 (weekly) 6 (monthly) 1 (quarterly)	19	12

PERFORMANCE MEASURES AND TARGETS

(Amounts in Thousand Pesos)

Particulars	FY 2007 Actual/ Amount	FY 2008 Target/ Amount	FY 2009 Target/ Amount
MFO 3			
Overall supervision and implementation of the rural electrification program	1,016,465	346,365	380,906
GAA & RLIP	566,283	72,245	118,676
SAGF	409,406	182,796	195,061
GP	40,776	91,324	67,169
Performance Indicators:			
No. of barangays electrified by DOE (consistent with the President's 10-point agenda)			
- Energy Regulations (ER) No.1-94			
Barangays	21	30	30
Sitios	179		
Enhancement/Rehabilitation	14		
- LFP-RAES			
Prepared Terms of Reference for Rapid Rural Appraisal (RRA)		60	45
Completed RRA for 37 Barangays			
- PGMA 211 Priority Barangays	3	-	-
- Barangay Electrification Program	90	50	50
No. of coordination meetings conducted to resolve issues/ disputes/conflicts in the implementation of electrification projects	46	as the need arises	as the need arises
No. of IECs conducted on ER 1-94 and Rural Electrification Program	9	12	12
No. of households in rural areas provided with mini-grid electricity connection			
- Mini-grid (NPC-SPUG)			1,680
- Mini-grid (Power Source, QTP)	1,300	200	
- Village hydro		445	300
- SSMP	209	2,350	8,675
MFO 4			
Market development and supervision of downstream oil and natural gas industries	83,488	67,434	125,153
GAA & RLIP	63,286	59,525	69,835
SAGF	20,202	7,909	55,318
Performance Indicators:			
No. of new players per activity monitored	22	dependent on notices filed	dependent on notices filed
No. of monitoring reports issued/posted within the target time for public consumption	415	400	400
No. of facilities inspected to check compliance with standards	1,297	1,900	2,300
No. of standards developed/reviewed/adopted and issued			
- product standards	7	4	5
- facilities standards	3	7	3

PERFORMANCE MEASURES AND TARGETS
(Amounts in Thousand Pesos)

Particulars	FY 2007 Actual/ Amount	FY 2008 Target/ Amount	FY 2009 Target/ Amount
No. of certifications/accreditations/registrations/endorsements/ acknowledgements			
- Downstream oil industry	1,243	dependent on notices filed (at least 1,500)	dependent on notices filed (at least 1,500)
- Alternative fuels	30	30	30
No. of new users of natural gas monitored			
- Power	4	4	3
- Non-power	6	12	500
No. of law enforcement activities conducted to ensure compliance with various laws/circulars/issuances (e.g. B.P. 33)	62	226	475
No. of coordination meetings conducted to ensure harmonious relationship with AFP, PNP, LGUs and NGOs, among others	25	as the need arises	as the need arises
No. of IECs/briefings conducted and participants covered			
- Downstream oil industry			20
- Natural gas	4	4	12
- SEFEELS			91
MFO 5			
Supervision of energy resource exploration, development and utilization	141,223	387,842	259,260
GAA & RLIP	78,869	168,219	171,361
SAGF	62,354	219,623	87,899
Performance Indicators:			
No. of service/operating contracts issued, administered and monitored as complying with contract terms	86	148	122
No. of areas assessed to determine potential for further exploration, development and production	-	4	8
No. of foreign-assisted projects endorsed, facilitated and and monitored	4	2	-
No. of Affiliated Non-conventional Energy Centers (ANECs) supervised and monitored	21	21	21
No. of IEC events (seminars, meetings, exhibits) and corresponding no. of participating stakeholders reached to promote the utilization/commercial application of alternative fuels			
No. of seminars/meetings conducted	269	300	400
No. of participants	2,513	2,700	3,000
No. of CNG-NGV facilities accredited		2	2
Inventory and monitoring of biofuel supply & utilization			
- Biodiesel production plant		10	36
- Ethanol production plant		1	8
- Sugarcane plantation sites		2	12
- Jatropha plantation sites		2	16
- Depot/blending facilities		4	8
Information & awareness campaign and studies, researches & surveys on Biofuel Program			
- No. of consultations and campaigns		30	40
- No. of tri-media materials developed		1	1

PERFORMANCE MEASURES AND TARGETS
(Amounts in Thousand Pesos)

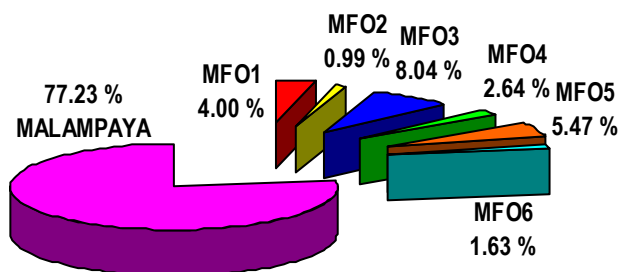
Particulars	FY 2007 Actual/ Amount	FY 2008 Target/ Amount	FY 2009 Target/ Amount
- Feasibility study on the use of biofuel blend		1	2
- Feasibility study on the environment and social impact of the National Biofuels Program		1	1
- No of technology development/tested for Hydrogen Fuel Cell		1	1
No. of line kilometers acquired, processed and interpreted to establish archipelagic basepoints and baselines in support of the country's territorial claims in the Kalayaan Island Group		625 line kms.	
- Technical paper on the interpretation of seismic acquisition (processing, compilation, analysis and recommendation)			1
MFO 6			
National energy efficiency and conservation programs	50,408	74,309	77,155
GAA & RLIP	38,657	37,822	43,230
SAGF	11,751	36,487	33,925
Performance Indicators:			
No. of energy efficiency and conservation programs promoted and implemented	820	1,077	1,500
No. of establishments audited/monitored complying with enercon standards over total no. of target establishments audited/monitored	397	404	412
Total, DOE Programs/Activities/Projects	1,420,119	997,101	1,078,380
GAA & RLIP	875,630	456,620	538,199
SAGF	503,713	449,157	473,012
GP	40,776	91,324	67,169
Programmed Expenditure from Malampaya Fund	400,000	2,642,928	3,658,438
TOTAL DOE EXPENDITURE LEVEL	1,820,119	3,640,029	4,736,818

GAA - General Appropriations Act
 RLIP - Retirement and Life Insurance Premiums
 SAGF- Special Account in the General Fund (Fund 151)
 GP - Grant Proceeds

FY 2009 MFO BUDGET
By MFO/By Expense Class
(In thousand pesos)

Particulars	PS	MOOE	CO	TOTAL	% Share
MFO 1: Energy policies, plans and programs	39,926	149,264	53	189,243	4.00%
MFO 2: Overall supervision/implementation of electric power industry reforms	20,463	26,196	4	46,663	0.99%
MFO 3: Overall supervision and implementation of the rural electrification program	23,402	353,339	4,165	380,906	8.04%
MFO 4: Market development and supervision of downstream oil and natural gas industries	36,905	75,131	13,117	125,153	2.64%
MFO 5: Supervision of energy resource exploration, development and utilization	40,499	201,856	16,905	259,260	5.47%
MFO 6: National energy efficiency and conservation programs	24,007	53,140	8	77,155	1.63%
Programmed Expenditure from Malampaya Fund		3,658,438		3,658,438	77.23%
TOTAL	185,202	4,517,364	34,252	4,736,818	100.00%
% Share	3.91%	95.37%	0.72%	100.00%	

By MFO
(Total Budget = P4,736,818,000)



By Expense Class
(Total Budget = P4,736,818,000)

