

May 8, 1987 - the Board of Energy was reconstituted into the Energy Regulatory Board (ERB), pursuant to **Executive Order No. 172** issued by then President Corazon C. Aquino as part of her government's reorganization program. The rationale was to consolidate and entrust into a single body all the regulatory and adjudicatory functions pertaining to the energy sector. Thus, the power to fix and regulate the power rates of private electric utilities was transferred to the ERB.

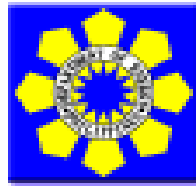
With the issuance of **Executive Order No. 193** on June 10, 1987 reorganizing the Department of Energy into the **Office of Energy Affairs** (OEA), the ERB was vested with other powers. The directive transferred to the Board the regulatory and adjudicatory functions exercised by the National Coal Authority relating to the coal industry.

December 28, 1992 REPUBLIC ACT NO. 7638

An Act Creating the Department of Energy, Rationalizing the Organization and Functions of Government Agencies Related to Energy, and for Other Purposes

SECTION 1. Short Title. - This Act shall be known as the "Department of Energy Act of 1992."

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State: (a) to ensure a continuous, adequate, and economic supply of energy with the end in view of ultimately achieving, self-reliance in the country's 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 to keep pace with the country's growth and economic development and taking into consideration the active participation of the private sector in the various areas on energy resource development; and (b) to rationalize, integrate, and enhance productivity in power energy without sacrificing ecological concerns.



DEPARTMENT OF ENERGY

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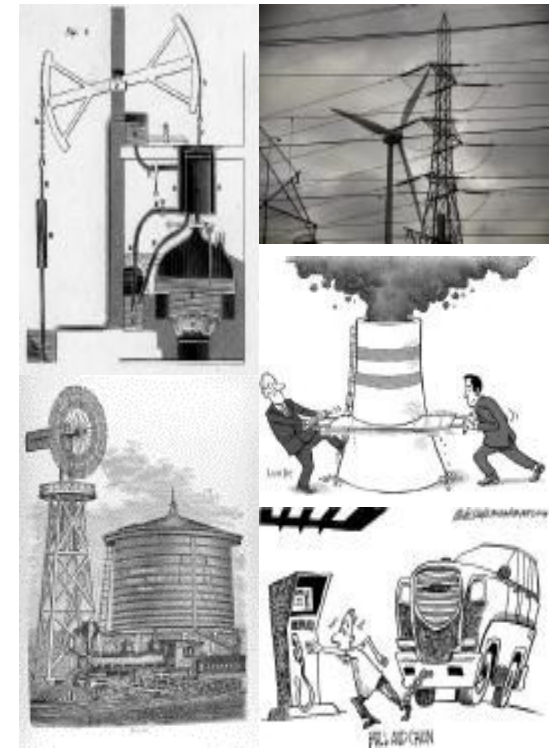
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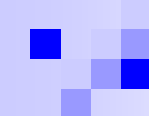
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Tracing the History of the Department of Energy





April 30, 1971 – Republic Act No. 6173 was passed creating the **Oil Industry Commission (OIC)**, which was tasked to regulate the oil industry and to ensure the adequate supply of petroleum products at reasonable prices.

September 24, 1972 – then President Ferdinand E. Marcos issued **Presidential Decree (P.D.) No. 1** which ordered the preparation of the Integrated Reorganization Plan by the Commission on Reorganization. The Plan abolished the Public Service Commission (PSC) and transferred the regulatory and adjudicatory functions pertaining to the electricity industry and water resources to then **Board of Power and Waterworks (BOPW)**.

The Petroleum Board

The predecessor office of the Department of Energy was the Petroleum Board which was created under Section 17 of Senate 531 which was promulgated into law by P.D. 8, dated October 2, 1972 which decreed the law to govern oil exploration and development in the Philippines. The Board was composed of the Secretary of Agriculture and Natural Resources, as Chairman, and the Undersecretaries of Finance and Justice, the Chairman of the Board of Investments, and the Director of Mines as members. The Director of Mines was the Executive Officer of the Board.

P.D. 8 was amended by P.D. 87, otherwise known as “The Oil Exploration and Development Act of 1972”, which was issued on

December 31, 1972. Under P.D. 87, the Board was composed of the Philippine National Oil Company as Chairman, and the Secretary of National Defense, the Executive Secretary, the Secretary of Natural Resources, the Secretary of Finance, the Secretary of Justice, the Secretary of Industry, the Governor of the Central Bank and the Director of Mines as members.

The Energy Development Board

P.D. 910, issued on March 22, 1976, abolished the Petroleum Board and its powers and functions were transferred to the Energy Development Board which was composed of the Secretary of Finance, Secretary of Industry, Secretary of Justice, Secretary of National Defense, Secretary of Economic Planning, Secretary of Natural Resources, and the Chairman of the Philippine National Oil Company. The President of the Philippines designated the Chairman of the Board from among its members.

The officials next in rank to the members of the Board, as designated by them, served as alternate members. They attended the meetings of the Board whenever their principals were absent or their positions were vacant.

Thus, while the Petroleum Board was tasked to regulate the exploration, development, production and exploitation of indigenous petroleum and natural gas through the Service Contract system, the Energy Development Board had wider powers and functions in the sense that it regulated not only petroleum and natural gas but also coal, geothermal and natural resources and other less conventional forms of indigenous energy resources.

October 6, 1977 – With the creation of the **Ministry of Energy (MOE)** under **Presidential Decree 1206** dated October 6, 1977 the Philippine Atomic Energy Commission (PAEC) was transferred to the control and supervision of the MOE from the Office of the President. **Presidential Decree No. 1206 attached the National Electrification Administration (NEA) to the Ministry of Energy in 1978.**

Under **Presidential Decree No. 1206, the National Power Corporation (NPC)** was attached to the new ministry for purposes of policy coordination and integration with sectoral programs.

In a simultaneous development, the President appointed Gabriel Y. Itchon as Deputy Minister of Energy and concurrently President and Chief Executive Officer of the National Power Corporation, the first ever to be appointed in such capacity in the then 43-year history of the corporation.

The government created the Department of Energy (DOE) and consequently abolished the Oil Industry Commission (OIC), which was replaced by the creation of the Board of Energy (BOE) through PD No. 1206. It was later replaced by the Energy Regulatory Board (ERB) now Energy Regulatory Commission (ERC), which was responsible for overseeing and regulating pricing activities of the industry. This included determining wholesale and retail prices, dealer and hauler margins, the revenue of refiners, and the contribution to or claims that resulted from the fluctuation of oil prices in the world market and the adjustments in the peso-dollar exchange rate.