

IX. DEPARTMENT OF ENERGY

A. OFFICE OF THE SECRETARY

For general administration and support, support to operations, and operations, including locally-funded and foreign-assisted projects, as indicated hereunder..... P 3,469,772,000

New Appropriations, by Program/Projects

| PROGRAMS | Current Operating Expenditures | | | | |
|--|--------------------------------|--|---------------------|------------------------|----------------------|
| | Personnel Services | Maintenance and Other Operating Expenses | Financial Expenses | Capital Outlays | Total |
| General Administration and Support | P 86,276,000 | P 177,852,000 | | P 166,000 | P 264,294,000 |
| Support to Operations | 45,482,000 | 32,845,000 | | 22,175,000 | 100,502,000 |
| Operations | 165,806,000 | 350,669,000 | | 5,171,000 | 521,646,000 |
| NFO 1: ENERGY SECTOR POLICY SERVICES | 61,339,000 | 56,207,000 | | 136,000 | 117,682,000 |
| NFO 2: PROMOTION OF ENERGY SECTOR INNOVATION | 42,931,000 | 215,670,000 | | 5,035,000 | 263,636,000 |
| NFO 3: ENERGY SECTOR REGULATORY SERVICES | 61,536,000 | 78,792,000 | | | 140,328,000 |
| Total, Programs | 297,564,000 | 561,366,000 | | 27,512,000 | 886,442,000 |
| PROJECT(S) | | | | | |
| Locally-funded Project(s) | | 3,320,000 | | | 3,320,000 |
| Foreign Assisted Project(s) | | 43,510,000 | 93,120,000 | 2,443,380,000 | 2,580,010,000 |
| Total, Project(s) | | 46,830,000 | 93,120,000 | 2,443,380,000 | 2,583,330,000 |
| TOTAL NEW APPROPRIATIONS | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 | 3,469,772,000 |

New Appropriations, by Central/Regional Allocation

| REGION | Current Operating Expenditures | | | | |
|---------------------------------|--------------------------------|--|---------------------|------------------------|------------------------|
| | Personnel Services | Maintenance and Other Operating Expenses | Financial Expenses | Capital Outlays | Total |
| Regional Allocation | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 | P 3,469,772,000 |
| National Capital Region (NCR) | 297,564,000 | 608,196,000 | 93,120,000 | 2,470,892,000 | 3,469,772,000 |
| TOTAL NEW APPROPRIATIONS | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 | P 3,469,772,000 |

Special Provision(s)

1. Proceeds from the Exploration, Development and Exploitation of Energy Resources. In addition to the amounts appropriated herein, Nine Hundred Seventy Four Million Three Hundred Nine Thousand Pesos (P974,309,000), sourced from the fees and revenues collected from the exploration, development and exploitation of energy resources shall be used to finance energy resource development and exploitation programs and projects in accordance with Section 8 of P.D. No. 910 and Section 21 of R.A. No. 7638.

Releases from said amount 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, quarterly reports on the programs and projects implemented using the said proceeds. The Secretary of Energy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are posted on the official website of the DOE, which shall be considered compliance with the said reportorial requirement.

2. *Payapa at Magsasang Pamilyan* Program. The amount of Three Million Three Hundred Twenty Thousand Pesos (P3,320,000) appropriated herein for the *Payapa at Magsasang Pamilyan* (PAMANA) Program shall be used exclusively to implement projects in conflict-affected areas already identified by the OPAPP. In no case shall said amount be used for any other purpose.

The DOE shall submit, either in printed form or by way of electronic document, to the OPAPP quarterly reports on the status of the implementation of the PAMANA Program, including the list of projects and beneficiaries and their corresponding amounts. 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 official website of the DOE.

3. *Bottom-up Budgeting* Projects. Of the amount sourced from the fees and revenues collected from the exploration, development and exploitation of energy resources, the amount of One Hundred Fifty Three Million Three Hundred Eighty Five Thousand Pesos (P153,385,000) earmarked for the Household Electrification Program in Off-Grid Areas using Renewable Energy System includes Eighty Four Million Six Hundred Seventy Nine Thousand Five Hundred Pesos (P84,679,500), which shall be used for the implementation of *Bottom-up Budgeting* (BuB) Projects in the ICGs identified under Volume I of this Act.

Releases from said amount shall be subject to compliance with the requirements of Good Financial Housekeeping under the FY 2014 Seal of Good Local Governance and LGU Public Financial Management Improvement Program pursuant to DBM-DIG-DSND-MAPC JMC No. 4 dated November 26, 2013 and such other criteria as may be provided in the guidelines.

The DOE shall submit quarterly reports on the financial and physical accomplishments of the amounts appropriated for the BuB Projects to the DBM, the House Committee on Appropriations and the Senate Committee on Finance. The Secretary of Energy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said reports are posted on the official website of the DOE, which shall be considered compliance with the said reportorial requirement.

Implementation of this provision shall be subject to guidelines to be issued by the DBM.

4. 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 | Financial Expenses | Capital Outlays | Total |
| PROGRAMS | | | | | |
| General Administration and Support | | | | | |
| General Management and Supervision | P 86,276,000 | P 177,852,000 | | P 166,000 | P 264,294,000 |
| Sub-total, General Administration and Support | 86,276,000 | 177,852,000 | | 166,000 | 264,294,000 |
| Support to Operations | | | | | |
| Legal Services | 9,523,000 | 3,080,000 | | | 12,603,000 |
| Information Technology and Data Management Services | 18,355,000 | 16,506,000 | | 35,000 | 34,896,000 |

| | | | | |
|---|-------------------|--------------------|-------------------|--------------------|
| Energy Research Testing and Laboratory Services | 17,604,000 | 10,719,000 | 22,140,000 | 50,463,000 |
| Monitoring and evaluation (M & E) activities of bottom-up Budgeting (BuB) Projects | | 2,540,000 | | 2,540,000 |
| Sub-total, Support to Operations | 45,482,000 | 32,845,000 | 22,175,000 | 100,502,000 |
| Operations | | | | |
| MFO 1: ENERGY SECTOR POLICY SERVICES | 61,339,000 | 56,207,000 | 136,000 | 117,682,000 |
| Formulation, updating and monitoring of short, medium and long term national and regional energy policies, plans and programs | 23,121,000 | 22,963,000 | | 46,084,000 |
| Formulation of policies, plans, and programs | 25,174,000 | 26,537,000 | 113,000 | 51,824,000 |
| Exploration, development and production of indigenous energy resources (petroleum and coal energy resources) | 4,383,000 | 1,491,000 | | 5,874,000 |
| Alternative fuels and technologies development and utilization, energy efficiency and conservation | 1,901,000 | 552,000 | 100,000 | 2,553,000 |
| Renewable energy management | 9,026,000 | 11,502,000 | | 20,528,000 |
| Electric power industry to include expanded rural electrification | 9,864,000 | 12,992,000 | 13,000 | 22,869,000 |
| Formulation of policies and standards | 13,044,000 | 6,707,000 | 23,000 | 19,774,000 |
| For the oil industry including natural gas | 10,456,000 | 5,528,000 | 23,000 | 16,007,000 |
| For labeling and lighting | 2,588,000 | 1,179,000 | | 3,767,000 |
| MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION | 42,931,000 | 215,670,000 | 5,035,000 | 263,636,000 |
| Promotion of energy development and conservation | 42,931,000 | 207,895,000 | 5,035,000 | 255,861,000 |
| Promotion of exploration, development and production of indigenous energy resources (petroleum and coal energy resources) | 8,778,000 | 2,751,000 | | 11,529,000 |

| | | | | |
|---|-------------------|-------------------|-----------|--------------------|
| Promotion of alternative fuels and technologies development and utilization, energy efficiency and conservation | 9,909,000 | 167,313,000 | 5,000,000 | 182,222,000 |
| Promotion of oil industry including natural gas | 4,500,000 | 5,409,000 | | 9,989,000 |
| Promotion of electric power industry | 8,136,000 | 9,656,000 | 35,000 | 17,827,000 |
| Promotion of renewable energy resources | 11,528,000 | 22,766,000 | | 34,294,000 |
| Implementation of the National Biofuels Program | | 2,763,000 | | 2,763,000 |
| Implementation of the National Renewable Energy Program | | 5,012,000 | | 5,012,000 |
| MFG 3: ENERGY SECTOR REGULATORY SERVICES | 61,536,000 | 78,792,000 | | 140,328,000 |
| Regulation of the energy resources | 14,277,000 | 27,510,000 | | 41,787,000 |
| Regulation relating to exploration, development and production of indigenous energy resources through research and scientific, physical and calibration testing | 4,651,000 | 2,751,000 | | 7,402,000 |
| Regulations relating to alternative fuels and technologies development and utilization, energy efficiency and conservation | 4,563,000 | 1,994,000 | | 6,557,000 |
| Regulations relating to the exploration, development and production of renewable energy resources | 5,063,000 | 22,765,000 | | 27,828,000 |
| Regulation of the energy industry | 18,594,000 | 25,890,000 | | 44,484,000 |
| Regulation of oil industry including natural gas | 14,566,000 | 16,235,000 | | 30,801,000 |
| Regulation of electric power industry | 4,028,000 | 9,655,000 | | 13,683,000 |
| Extension and enhancement of energy resource exploration, development and utilization; and energy industry management and control activities | 28,665,000 | 25,392,000 | | 54,057,000 |

| | | | | |
|--|---------------|---------------|---------------|-----------------|
| Visayas Field Office | 12,581,000 | 10,826,000 | | 23,407,0 |
| Mindanao Field Office | 11,623,000 | 9,708,000 | | 21,331,0 |
| Luzon Field Office | 4,461,000 | 4,858,000 | | 9,319,0 |
| Sub-total, Operations | 165,806,000 | 350,669,000 | 5,171,000 | 521,646,0 |
| TOTAL PROGRAMS AND ACTIVITIES | 297,564,000 | 561,366,000 | 27,512,000 | 886,442,0 |
| PROJECTS | | | | |
| Locally-Funded Project(s) | | | | |
| Power and Communication Infrastructure | | 3,320,000 | | 3,320,0 |
| Electrification | | 3,320,000 | | 3,320,0 |
| Implementation and Monitoring of PAMANA Projects | | 3,320,000 | | 3,320,0 |
| Sub-total, Locally-Funded Project(s) | | 3,320,000 | | 3,320,0 |
| Foreign-Assisted Project(s) | | | | |
| Power and Communication Infrastructure | 43,510,000 | 93,120,000 | 2,443,380,000 | 2,580,010,0 |
| Energy Investment/Promotion/Innovation | 43,510,000 | 93,120,000 | 2,443,380,000 | 2,580,010,0 |
| Market Transformation through the Introduction of Energy-Efficient Electric Vehicles Project | 43,510,000 | 93,120,000 | 2,443,380,000 | 2,580,010,0 |
| Sub-total, Foreign-Assisted Project(s) | 43,510,000 | 93,120,000 | 2,443,380,000 | 2,580,010,0 |
| TOTAL PROJECT(S) | 46,830,000 | 93,120,000 | 2,443,380,000 | 2,583,330,0 |
| TOTAL NEW APPROPRIATIONS | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 |
| | | | | P 3,469,772,0 |

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

A. Programs/Locally-funded Project(s)

Current Operating Expenditures

Personnel Services

Civilian Personnel

Permanent Positions

Basic Salary

232,9

Total Permanent Positions

232,9

| | |
|---|---------------|
| Other Compensation Common to All | |
| Personnel Economic Relief Allowance | 15,21 |
| Representation Allowance | 4,65 |
| Transportation Allowance | 4,65 |
| Clothing and Uniform Allowance | 3,17 |
| Productivity Incentive Allowance | 1,26 |
| Honoraria | 30 |
| Year End Bonus | 19,41 |
| Cash Gift | 3,17 |
| Step Increment | 58 |
| Total Other Compensation Common to All | 52,42 |
| Other Compensation for Specific Groups | |
| Magna Carta for Public Health Workers | 23 |
| Magna Carta for Science & Technology Personnel | 8,34 |
| Total Other Compensation for Specific Groups | 8,57 |
| Other Benefits | |
| PAF-IBIG Contributions | 75 |
| PhilHealth Contributions | 2,10 |
| Employees Compensation Insurance Premiums | 75 |
| Total Other Benefits | 3,62 |
| Total Personnel Services | 297,56 |
| Maintenance and Other Operating Expenses | |
| Travelling Expenses | 80,71 |
| Training and Scholarship Expenses | 1,27 |
| Supplies and Materials Expenses | 41,32 |
| Utility Expenses | 37,98 |
| Communication Expenses | 12,43 |
| Confidential, Intelligence and Extraordinary Expenses | |
| Extraordinary and Miscellaneous Expenses | 2,62 |
| Professional Services | 61,84 |
| General Services | 55,55 |
| Repairs and Maintenance | 22,25 |
| Financial Assistance/Subsidy | 2,54 |
| Taxes, Insurance Premiums and Other Fees | 9,30 |
| Other Maintenance and Operating Expenses | |
| Advertising Expenses | 93,91 |
| Printing and Publications Expenses | 7,97 |
| Representation Expenses | 27,17 |
| Transportation and Delivery Expenses | 14,99 |
| Rent/Lease Expenses | 33,14 |
| Membership Dues and Contributions to Organizations | 1,41 |
| Subscription Expenses | 12,21 |
| Donations | 46,00 |
| Total Maintenance and Other Operating Expenses | 564,68 |
| Total Current Operating Expenditures | 862,25 |

| | |
|---|-----------------|
| Capital Outlays | |
| Property, Plant and Equipment Outlay | |
| Machinery and Equipment Outlay | 22,2 |
| Transportation Equipment Outlay | 5,0 |
| Furniture, Fixtures and Books Outlay | 2 |
| Total Capital Outlays | <u>27,5</u> |
| Total Programs/locally-funded Project(s) | <u>889,7</u> |
| <u>B. Foreign-Assisted Project(s)</u> | |
| Current Operating Expenditure | |
| Maintenance and Other Operating Expenses | |
| Professional Services | 43,51 |
| Total Maintenance and Other Operating Expenses | <u>43,51</u> |
| Financial Expenses | |
| Other Financial Charges | 93,12 |
| Total Financial Expenses | <u>93,12</u> |
| Total Current Operating Expenditures | <u>136,63</u> |
| Capital Outlay | |
| Property, Plant and Equipment Outlay | |
| Transportation Equipment Outlay | 2,443,30 |
| Total Capital Outlays | <u>2,443,30</u> |
| Total Foreign Assisted Project(s) | <u>2,580,01</u> |
| TOTAL NEW APPROPRIATIONS | <u>3,469,77</u> |

GENERAL SUMMARY
DEPARTMENT OF ENERGY

Current Operating Expenditures

| | Personnel Services | Maintenance and Other Operating Expenses | Financial Expenses | Capital Outlays | Total |
|--|-----------------------|---|-----------------------|--------------------|---------------|
| A. OFFICE OF THE SECRETARY | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 | P 3,469,772,0 |
| TOTAL NEW APPROPRIATIONS, DEPARTMENT OF ENERGY | P 297,564,000 | P 608,196,000 | P 93,120,000 | P 2,470,892,000 | P 3,469,772,0 |

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

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. Launch the E-Trike Project
5. Formulate regional energy plans

| ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs) | BASELINE | 2015 TARGETS |
|--|-------------------------------|---|
| Required energy supply level attained | | |
| % share of locally available energy resources over total energy resource supply (local + imported energy supply) | Baseline data of 50% for 2010 | Energy self-sufficiency level to increase from 50 percent in 2010 to 59.2 percent in 2015 |

| | |
|---|--|
| <p>% increase in investments in power sector</p> | <p>100% applications for certificate of endorsement (COE) for investment in the energy sector processed</p> |
| <p>% of dependable capacity over total demand (Luzon, Visayas, Mindanao)</p> | <p>formula: Surplus is equal to dependable capacity (+committed projects) - (peak demand+regulating reserves) or % is equal to dependable capacity (+committed projects) / (peak demand+ regulating reserves) a) Luzon: 2014 (Surplus = 3327 MW); 2015 (Surplus = 3505 MW) b) Visayas: 2014 (Surplus = 770 MW); 2015 (Surplus = 550 MW) c) Mindanao: 2014 (Surplus = 505 MW); 2015 (Surplus = 618 MW)</p> |
| <p>Household electrification achieved</p> | |
| <p>Achieve 90% household electrification by 2017</p> | <p>Implement the Household Electrification Development Plans (HEDP)</p> |
| <p>% increase in households electrified from 2014 to 2015</p> | <p>2010 baseline data: 14,536,372 HHs Energized households to reach 18,392,477 in 2015 from 14,536,372 energized in 2010 (26.5% increase). This is equivalent to a household electrification level of 79.43% in 2014 and 82.67% by 2015</p> |
| <p>Sustainable production and consumption of energy promoted and achieved</p> | |
| <p>% increase in electricity and fuel consumption savings (actual savings in consumption will increase)</p> | <p>Savings from electricity and fuel consumption will increase from 3,581 thousand tons of oil equivalent (KTOE) in 2010 to 5,790 KTOE in 2015</p> |
| <p>% share of clean energy (renewable+natural gas) resources over total energy resource supply</p> | <p>Share of clean energy over total energy supply will increase from 45.88% (19.72 KTOE) in 2012 to 46.5% (21.42 KTOE) by 2015</p> |
| <p>% increase in the use of alternative fuels for transport</p> | <p>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</p> |
| | <p>Build out 17,000 E-Trikes in 2015 Monitor the activities of DOE programs on alternative fuels for transport (auto-LPG, E-Vehicle, Natural Gas Vehicle Program for Public Transport, ONG) according to Planning Tool targets</p> |

MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)

2015 Targets

MFO 1: ENERGY SECTOR POLICY SERVICES

| | |
|---|-----------------------|
| No. of plans and policies updated, formulated, monitored and recommended for adoption and implementation | 5 plans / 10 policies |
| Average percent of stakeholders who rate the plans and policies as satisfactory or better | 80% |
| Percent of applications for certificates of endorsement (COE) for investment in the energy sector processed | 100% |

MFO 2: PROMOTION OF ENERGY SECTOR INNOVATION

| | |
|---|------|
| Promotion | |
| No. of promotional events undertaken | 101 |
| Technical Assistance | |
| No. of technical advisories provided to entities | 22 |
| Percent of entities that rated technical advice as satisfactory or better | 90% |
| Percent of request for technical advice responded to within 15 days | 85% |
| Energy Efficiency and Conservation | |
| No. of energy efficiency audits provided to government agencies | 60 |
| Percent of energy audit reports with recommended findings on improving energy utilization | 100% |
| Percent of audit reports submitted to agencies within one week after conduct of audit | 60% |

MFO 3: ENERGY SECTOR REGULATORY SERVICES

| | |
|--|-------|
| Registration and Processing | |
| No. of applications for permits, service/operating contracts and accreditations processed | 1,851 |
| No. of analytical tests conducted in support of energy exploration activities, Biofuels law, RI Law and Clean Air Act within the prescribed period | 5,030 |
| Percent of energy service contracts/permits/certificates of registration awarded/issued in 9 months | 70% |
| Supervision and Monitoring | |
| No. of energy establishments and facilities/power plants monitored and inspected with reports issued | 2,118 |

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