

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **6668**



Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

EXPLANATORY NOTE

The Energy Industry is vital to a continuous economic growth. Most formal businesses rely on electric power. In fact, the Philippine's fastest growing industry, Business Process Outsourcing, and the service sector that has the largest GDP share in the country, are all reliant on electricity. With an expanding economy comes the need for better efficiency in the energy sector. Although the sector is characterized by rapidly changing technologies, the economy's needs are outpacing the Philippine energy sector's capabilities. In Asian Development Bank's *Outlook 2013: Asia's Energy Challenge* — Asian countries, including the Philippines, are seen to remain heavily dependent on energy imports until 2035.¹ ADB also predicted a decline in renewable energy should no initiative be taken: "In the Philippines, the contribution of [renewable energy] will shrink from 43 percent in 2010 to 14 percent in 2035, by which time proven indigenous gas and coal reserves will be depleted." From 1971 to 2013, the country's energy imports averaged 45.45% out of the country's entire energy consumption.²

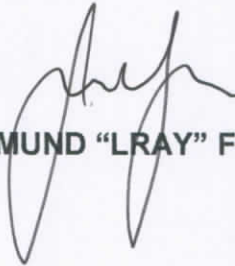
Due to high cost of energy resources and current lack of local energy resources, the government must ensure efficient use of current energy resources while developing more local energy alternatives for the common good. The current and future energy resources of the country must be managed with minimum energy waste while reducing harmful emissions. Unfortunately, the country's local and technical research on the energy sector is sparse because of a lack of technical capacity and incentive. This also echoed within the academe as both academic and policy programs focusing on energy remains deficient. As a result, government looks to foreign-funded institutions for assistance in generating the research and/or data they need. Without proper research, energy policy and regulation would ill serve the country's needs.

¹ ADB, *Outlook 2013: Asia's Energy Challenge*

² http://www.theglobaleconomy.com/Philippines/Energy_imports/

This re-filed version of the bill seeks to bridge research and policy gap in the energy sector by creating a Philippine Energy Research and Policy Development Institute. It recognizes the importance of rigorous multidisciplinary research in making sound energy policies and legislation and thus charges the Institute to undertake collaborative energy research and policy development among the academe and stakeholders; provide timely technical assistance to the government on energy issues needing policy direction and advise; create and administer programs intended to build the capacity of government agencies, energy stakeholders, and the academe; and ensure that the results of energy research and policy development activities are utilized to improve the energy sector, the economy, and the lives of the people.

In view of the foregoing, immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Lray', is positioned above the printed name.

LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

AN ACT ESTABLISHING THE PHILIPPINE ENERGY RESEARCH AND POLICY INSTITUTE, DEFINING ITS OBJECTIVES, POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title.* – This Act shall be known as the "**Philippine Energy Research and Policy Institute Act of 2017**".

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to ensure energy security, equity, and sustainability. Towards this end, it is also the policy of the State to enhance knowledge in recent developments and scientific breakthroughs in the field of energy; identify key policy areas, issues, and challenges in the country's energy sector; and formulate multidisciplinary research-based policies and strategies for the cost-effective use of energy resources towards environmentally sound energy development.

SECTION 3. *Establishment of the Philippine Energy Research and Policy Institute.* – Pursuant to the national policy of enhancing the country's capability for energy research and policy development, there is hereby established in the University of the Philippines (UP) Diliman, a Philippine Energy Research and Policy Institute, hereinafter referred to as the Institute.

SECTION 4. *Objectives of the Institute.* – The objectives of the Institute are:

- a) To conduct pertinent policy research on energy issues and ensure the coordination and timely dissemination of results to key government agencies to guide policy and decision-making processes;
- b) To provide timely technical assistance to the government on energy issues needing policy direction and advice;
- c) To contribute strategic assistance to the government on energy policy issues and other related matters;
- d) To promote collaborative and multidisciplinary energy research and policy development among the academe, and public and private stakeholders;
- e) To establish mechanisms for the dissemination and utilization of research and policy development outputs;
- f) To create and administer training programs and provide fellowship grants intended to build the capacity of government agencies, public and private energy stakeholders, and the academe including graduate and post-graduate students; and
- g) To serve as a medium in bringing together local and international experts in the field of energy through local and international linkages.

SECTION 5. *Functions and Powers of the Institute.* – The Institute’s functions and powers shall include but not be limited to:

- a) Formulating and conducting research and development on energy, public policy issues in energy markets, and other pressing issues and problems, all backed by rigorous empirical evidence;
- b) Establishing research and policy development programs and capacity-building trainings on energy;

- c) Providing common research support facilities while maximizing the utilization of its expert support staff;
- d) Enhancing the masters and doctoral pool of researchers and faculty in the field of energy;
- e) Establishing local and foreign linkages in energy research and policy development;
- f) Serving as the repository of all energy-related researches and studies to be generated by the Institute as well as academic, public, and private groups, organizations, and institutions;
- g) Proposing and allocating its annual budgetary resources while optimizing resource generation and utilization;
- h) Investing its funds in such undertaking as it may deem wise or necessary to carry out its objectives, with due consideration to existing guidelines on investing government funds in coordination with the Bureau of Treasury; and
- i) Receiving and managing grants, aid, donations or any kind of assistance for achieving its objectives, in accordance with the rules and regulations of UP.

The Advisory Council may give additional powers and functions to the Institute Provided: That it shall be in accordance with the objectives of the Institute as stated in this Act.

SECTION 6. *Organizational Structure.* – The Institute shall be headed by an Executive Director who shall report directly to the Advisory Council. The Institute shall be supported by a Management Committee and Research Fellows in carrying out its functions.

SECTION 7. *The Executive Director.* – The Executive Director shall be a recognized expert in energy research and policy development and shall have a strong organizational management background. The UP Board of Regents shall appoint the Executive Director upon the recommendation of the UP President 60 days after the promulgation of this Act: Provided, That such Executive Director shall serve for a term of five (5) years which can be renewed for an other five (5) years.

SECTION 8. *Functions and Powers of the Executive Director.* – The Executive Director of the Institute shall:

- a) Exercise administrative and supervisory functions over the planning, implementation, and evaluation of the policies, programs, and projects of the Institute;
- b) Implement and enforce policies, decisions, orders, rules and regulations adopted by the Advisory Council;
- c) Recommend to the UP Board of Regents, upon endorsement of the Advisory Council, the creation of divisions and sections of the Institute including the position classification and compensation plan of its employees;
- d) Recommend to the UP Board of Regents, upon endorsement of the Advisory Council, the appointment of the Management Committee members, research fellows, officers and employees of the Institute;
- e) Recommend to the Board of Regents, upon recommendation of the Advisory Council, the overall budget of the Institute;
- f) Within the limits of the authority delegated to him by the Advisory Council, execute contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf of the Institute; and

- g) Exercise such other powers and functions and perform such other duties as may be authorized or assigned by the Advisory Council.

SECTION 9. *Advisory Council of the Institute.* – There shall be an Advisory Council of the Institute to be composed of the following:

- a) Chancellor of UP Diliman as the Chairperson;
- b) Dean of the UP College of Engineering;
- c) Dean of the UP College of Law;
- d) Dean of the UP College of Science;
- e) Dean of the UP School of Statistics;
- f) Dean of the UP School of Economics; and
- g) One (1) other member who is a recognized expert in energy research and policy development to be appointed by the UP Board of Regents upon recommendation of the UP President.

The Executive Director shall concurrently serve as a non-voting Member-Secretary of the Advisory Council. The Chancellor of UP Diliman, and the Deans of the College of Engineering, College of Law, College of Science, School of Statistics, and School of Economics shall serve in an ex-officio capacity. The one other member shall serve for a term of two (2) years.

SECTION 10. *Functions and Powers of the Advisory Council.* – The Advisory Council shall:

- a) Determine the general direction and priorities of the Institute in accordance with this Act;
- b) Determine research and policy areas for study and investigation by the Institute based on its evaluation of the energy policy landscape including the needs and demands of the country and the people;

- c) Provide advice to the Institute on any matter relating to the development of a research and/or policy area and the administration of research and policy programs;
- d) Provide advice to the Institute on matters relating to the position classification and compensation plans of the employees of the Institute in coordination with the Department of Budget and Management;
- e) Endorse to the UP Board of Regents the recommended divisions and sections of the Institute including the position classification and compensation plans of its employees;
- f) Endorse to the UP Board of Regents the recommended Management Committee members, research fellows, officers, and employees of the Institute;
- g) Endorse to the UP Board of Regents the Institute's overall budget as recommended by the Executive Director;
- h) Generate resources and obtain logistical and financial support for the programs and component units of the Institute: Provided, That in so doing, no conflict-of-interest exists with the objectives of this Act and the functions of the Institute;
- i) Monitor and review all the activities and operations of the Institute as implemented by the Executive Director; and
- j) Authorize and/or assign additional powers, functions, and duties to the Executive Director in accordance with the objectives of this Act.

SECTION 11. *Appointment of Faculty and Staff.* – The human resource complement of the Institute shall be organized and set-up by the Executive Director in accordance with the provisions of this Act, the existing rules and regulations of UP, and upon approval by the UP Board of Regents.

SECTION 12. *Public Access.* – The public and other energy institutions shall have access to the research findings, facilities, and other resources of the Institute, as provided in the implementing rules and regulations of this Act. Provided, it is in accordance with Section 13 of this Act.

SECTION 13. *Confidentiality.* – The Institute shall not disclose any proprietary and/or confidential data and other resources unless prior consent of the source or owner of such data and resources has been obtained by the requesting party.

SECTION 14. *Endowment Fund.* – An Endowment Fund is hereby established for the support of the Institute, including the purchase of research equipment and facilities, compensation and honoraria to researchers, whether in government service or otherwise, and such other necessary expenses to carry out the purpose of this Act.

The Institute is authorized to accept into its Endowment Fund any contributions, donations, bequests, grants, and loans from domestic and/or foreign sources, government appropriations and other incomes accruing from the operations of the Institute, for purposes of executing its mandate and functions: Provided, That in so doing, no conflict-of-interest exists with the objectives of this Act and the functions of the Institute.

For the organizational and operational requirements of the Institute, there is hereby appropriated out of the General Appropriations Act, the sum of Two Hundred Million Pesos (PhP200,000,000.00) for the initial operating fund of the Institute. Thereafter, an annual amount of Two Hundred Million Pesos (PhP 200,000,000.00) will be appropriated from the General Appropriations Act to support the research, policy development, and training programs of the Institute. This amount will be assessed annually and increased, if necessary, based on the annual financial plan approved by the UP Board of Regents and submitted to the Department of Budget and Management.

SECTION 15. *Tax Exemptions.* – The Institute shall be entitled to all the tax exemptions enumerated under Section 25 of Republic Act No. 9500 or the University of the Philippines Charter of 2008.

SECTION 16. *Implementing Rules and Regulations.* – Within sixty 60 days from the effectivity of this Act, the Institute, in consultation with its Advisory Council and subject to the approval of the Board of Regents, shall promulgate the necessary implementing rules and regulations of this Act.

SECTION 17. *Separability Clause.* – If, for any reason, any provision of this Act is declared to be unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue to be in full force or effect.

SECTION 18. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or parts thereof which are in consistent with or contrary to the provisions of this Act are hereby repealed, am ended or modified accordingly.

SECTION 19. *Effectivity.* –This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,