

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



EIGHTEENTH CONGRESS
First Regular Session

House Bill Number 473

Introduced by:

REP. PRESLEY C. DE JESUS (PHILRECA PARTY-LIST), REP. SERGIO C. DAGOOC (APEC PARTY-LIST), REP. GODOFREDO N. GUYA (RECOBODA PARTY-LIST), AND REP. ADRIANO A. EBCAS (AKO PADAYON PARTY-LIST)

***AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY
SECTOR OF THE PHILIPPINES, AUTHORIZING THE COLLECTION AND
APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES***

EXPLANATORY NOTE

Energy as a basic commodity continually evolves with the pace of economic development in any economies in the world. In the Philippine setting, energy is an essential element for the attainment of ensuring a sustained national development and progress.

However, there are a lot of issues confronting the Philippine energy sector. To cite a few are the lack of attractive compensation and benefits package, and well pronounced and adequately funded programs directed towards human resources development in energy sector which had become the primary reasons for the fast pacing turn-over of our talented and promising assets of the government to the private companies.

Another challenge in the energy sector is a dearth number of higher education institutions offering energy related degree programs and trainings that contributed to the limited graduates who can be tapped by the government as managers, technical experts, and technicians, and by the private sectors as

workers in their respective fields of specialization. Few of our high school graduates consider energy related degree programs as their course and craft due to its high cost and limited availability of scholarship support from the government.

The current initiatives of the Department of Energy should further be enhanced in our desire to promote and sustain an energy culture that the Philippines should possess as an emerging tiger economy in Asia. Our countrymen should embrace the need for exploring and developing the energy potentials in every parts of the archipelago of which most remain idle due to the absence of research and development that would generate information for the investor's technical guidance.

We are living witnesses that energy personnel are among the first to respond before and after the occurrence of disasters despite the immeasurable risks to their lives and loved ones. In addition, during operational glitches and violations of energy related companies, our energy workers are exposed to hazardous elements and hostile environment in the performance of their avowed duties and services to the Filipino people.

It is recognized that energy related activities and projects had contributed substantial amount to the coffers of the national government. With this, it is but just and proper that our energy personnel part take the fruits from these successful undertakings in recognition to their diligence and commitment in the processing, evaluation and monitoring of applications and awarded contracts including the mandatory financial audits thereof.

However, despite the immense contributions of the energy sector in improving the quality of lives and economic activities of the Filipino people, little effort has been exerted to address the plight of our energy workers not to mention the exodus or brain-drain of competent and hardworking personnel of government agencies who are responsible for energy exploration, development, generation, transmission, distribution, utilization and commercialization of electricity to all sectors, especially the less privileged and improving members of the society.

We need a reservoir of talent and manpower that will sustain our drive for accessible, affordable and sustainable electricity in various parts and sectors of the society. This noble bill is expected to ensure a reservoir of talent who are adequately provided with compensation and benefits at par with the private sector, a well pronounced, defined and sufficiently funded scholarship programs and other measures that shall address the issues confronting the human resources of the energy sector in the Philippines.

In addition, there has been unprecedented increased of awarded service and operating contracts as a result of the policy redirections by the current leadership of the Department hence, this bill would complement with the necessity of enhancing the regulatory capacity of the Compliance Division of the Department so that full compliance to the financial obligations of the contractors is assured to augment the collection of taxes, government shares and other charges that shall contribute in attaining financial stability of the government. Furthermore, this bill seeks to enhance

the regulatory powers and functions of the Department of Energy by creating new Regional Offices in various regional subdivisions in the Philippines with adequate manpower to attain proper and efficient utilization, protection and management of energy resources.

The passage of the bill is earnestly sought.



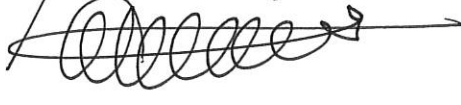
Rep. **PRESLEY C. DE JESUS**
PHILRECA Party-List



Rep. **SERGIO C. DAGOOC**
APEC Party-List



Rep. **GODOFREDO N. GUYA**
RECOBODA Party-List



Rep. **ADRIANO A. EBCAS**
AKO PADAYON Party-List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS

First Regular Session

House Bill Number 473

Introduced by:

REP. PRESLEY C. DE JESUS (PHILRECA PARTYLIST), REP. SERGIO C. DAGOOC (APEC PARTY-LIST), REP. GODOFREDO N. GUYA (RECOBODA PARTYLIST), AND REP. ADRIANO A. EBCAS (AKO PADAYON PARTY-LIST)

AN ACT PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE ENERGY SECTOR OF THE PHILIPPINES, AUTHORIZING THE COLLECTION AND APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. **Title.** - This Act shall be known as the "Magna Carta for Workers in the Energy Sector of the Philippines."

SEC 2. 2. **Declaration of Policy.** - The State recognizes energy as an essential element for the attainment of sustained national development and progress. To attain this objective, it is hereby declared the policy of the State to provide for a program of human resources development in energy sector to achieve and maintain the necessary reservoir of talent and manpower that will sustain its drive for accessible, affordable and sustainable electricity in various parts and sectors of the society.

The State shall establish, promote and support programs leading to the realization of this objective, such as scholarship programs, improvement of the quality of energy education, popularization of energy culture, and provision of incentives for pursuing careers in energy and its allied degree programs.

SEC. 3. Definition of Terms.

(a) Department - refers to the Department of Energy (DOE) created pursuant to Republic Act No. 7638.

(b) Department's Attached Agencies – the attached agencies of the Department shall include, but not limited to, the National Electrification Administration (NEA), National Power Corporation (NPC), National Transmission Corporation (TransCo), Philippine National Oil Company (PNOC), and Power Sector Assets and Liabilities

Management (PSALM).

(c) **Energy Activities and Projects** - all systematic activities and projects which are closely concerned with the energy exploration, development, generation, transmission, distribution, utilization and commercialization of energy resources including the dissemination and application of scientific and technical knowledge in all fields of energy such as, but not limited to, coal mining, oil and petroleum, renewable energy, gas, alternative energy technologies, bio-energy, electrification and all undertakings that are **necessary** for the proper, effective and efficient implementation of the Philippine Energy Plan (PEP) formulated by the Department duly approved by the President of the Philippines.

(d) **Energy Workers or Personnel** - shall be composed of personnel as classified below:

- 1.) **Department's Workers** - refers to all officials and personnel of the Department who are directly responsible in the planning, formulation, processing, execution, monitoring and evaluation of energy programs, activities and projects;
- 2.) **Department's Attached Agencies Workers** - refers to all officials and personnel of the Department's attached agencies who are directly responsible in the planning, formulation, processing, execution, monitoring and evaluation of energy programs, activities and projects and as defined in their respective Charters, and
- 3.) **Electrification Workers** – refers to all officials and personnel of the different Electric Cooperatives duly registered with the National Electrification Administration and Cooperative Development Authority.

SEC. 4. *Energy Career System.* - A career system for energy personnel in the service of the government shall be formulated by the Department in coordination with the Civil Service Commission (CSC).

SEC. 5. *Classification of Energy Personnel.* – Energy personnel may be classified in the following categories:

(a) **Energy managers, supervisors, policy-makers, and planners** – Those who are graduate degree holders or have at least ten (10) years of managerial and supervisory experience or are performing executive, managerial, planning and policy-making functions to effectively carry out the energy related activities and projects as defined in Section 3(b) of this Act.

Provided, That for personnel who occupy third level positions, comprised of above Division Chief to Undersecretary and their equivalents, must be appointed by the President of the Philippines to the appropriate Career Executive Service Officer (CESO) rank in accordance to the pertinent policies and regulations promulgated by the Career Executive Service Board (CESB):

(b) **Members of the energy career system;**

(c) **Mining and petroleum engineers, geologists, engineers, scientists,**

inspectors, and researchers. – Those who are at least undergraduate or bachelor's degree holders in any of the engineering, law, public administration, economics and its allied fields and are involved in the conduct of inspections, enforcement, evaluation and monitoring of energy activities and projects as defined under Section 3(c) of the act including those engaged in research and development on energy sector; and

(d) **Technicians and related energy personnel.** - Those who obtained at least twelve (12) units in public administration, engineering, sciences, economics, social sciences, information and communication technology (ICT) and allied courses or any appropriate training as determined by the Secretary of the Department and are providing administrative and support services to energy personnel enumerated in the three (3) preceding sub sections. The related energy personnel herein shall also include those workers involved in the audit, enforcement, evaluation and monitoring of the technical, financial, legal and socio-economic aspects of any energy program, project and activities.

SEC. 6. Salaries. – The existing law on salary scales of government employees shall not apply in determining the salary scale of energy personnel as defined in Section 5 of this Act. A new salary scale shall be developed by the Department in consultation with the Department of Budget and Management (DBM) and the Civil Service Commission, subject to the approval of the President.

SEC. 7. Other Benefits. - Notwithstanding Section 12 of Republic Act No. 6758, energy personnel defined under Section 5 of this Act shall receive the following:

(a) **Honorarium.** - Energy personnel who rendered services beyond the established irregular workload of managers or executives, mining and petroleum engineers, geologists, engineers, scientists, researchers, inspectors and technicians whose broad and superior knowledge, expertise or professional standing in a specific field contributes to productivity and innovativeness shall be entitled to receive honorarium subject to rules to be set by the Department.

The Chairs, Vice Chairs, Members and Secretariat of governing boards or technical committees of the Department created by law and regulations such as, but not limited to, the National Renewable Energy Board (NREB) and Renewable Energy-Review and Evaluation Committee (RE-REC) under Republic Act No. 9513 and its Implementing Rules and

Regulations and its subsequent issuances, the National Biofuels Board (NBB) under Republic Act No. 9367, Review and Evaluation Committee of the Philippine Energy Contracting Round (REC-PECR) under Presidential Decree No. 1442 and its subsequent issuances and implementing guidelines, including that of the Department's attached agencies, shall be entitled to reasonable honorarium as prescribed by the Department of Budget and Management, and reimbursement of actual expenses incurred for their attendance during meetings, seminars, conferences and official functions subject to usual accounting and auditing rules and regulations.

(b) **Share from Government Shares, Fees and Charges from**

Supervision and Regulation - Energy personnel shall be entitled to receive share from government shares, fees and charges from supervision and regulation subject to guidelines of the Department. The share from the government shares shall be on a sixty percent-forty percent (60%-40%) basis in favor of the government and the personnel involved in energy programs, activities and projects which has been produced or undertaken during the regular performance of their functions.

For the purpose of this Act, government share shall be defined as a share in the proceeds of payments arising from the energy exploration, development, generation, transmission, distribution, utilization and commercialization of energy resources in various sectors while share in the fees and charges from supervision and regulation in the downstream oil industry shall refer to the sum charged and collected from acknowledgements, applications, certifications, endorsements, processing fees, violation fines/penalties and other reasonable payments in connection with the enforcement of energy laws and implementation of program, activities and projects in the downstream oil industry:

(c) **Hazard Allowance.** - Energy personnel involved in hazardous undertakings or assigned in hazardous workplaces to conduct periodic inspection, evaluation and monitoring of energy related projects and activities shall be paid hazard allowances ranging from ten (10%) to thirty (30%) percent of their monthly basic salary depending on the nature and extent of the hazard involved. The following shall be considered hazardous workplaces:

- (1) Radiation-exposed laboratories and service workshops
- (2) Remote/depressed areas
- (3) Areas declared under a state of calamity or emergency
- (4) Strife-torn or embattled areas
- (5) Laboratories and other disease-infested areas
- (6) Electrical machine and mechanical rooms
- (7) Pressure vessels and other steam generating facilities
- (8) Areas, establishments or energy and energy-related facilities where energy personnel or inspectors are directly or imminently exposed to hazardous vapors, products and toxic fumes (and substances) such as, gasoline stations, oil depots, terminals, auto-LPG dispensing stations and gas refilling plants

(d) **Subsistence Allowance.** - Energy personnel shall be entitled to full subsistence allowance equivalent to three (3) meals a day, which may be computed and implemented in accordance with the criteria to be provided in the implementing rules and regulations. Those assigned out of their regular work stations shall be entitled to per diem in place of the allowance;

(e) **Laundry Allowance.** - Energy personnel who are required to wear a prescribed uniform during office hours shall be entitled to a laundry allowance of not less than one hundred fifty pesos (Php150.00) a month;

(f) **Housing and Quarter Allowance.** - Energy Personnel who are on duty in laboratories, energy research and development centers and other government

facilities shall be entitled to free living quarters within the government facility where they are stationed: *Provided*, That the personnel have their residence outside of the fifty (50)- kilometer radius from such government facility:

(g) **Longevity Pay.** - A monthly longevity pay equivalent to five percent (5%) of the monthly basic salary shall be paid to energy personnel for every five (5) years of continuous and meritorious service as determined by the Secretary of the Department;

(h) **Medical Examination.** – During the tenure of their employment, energy personnel shall be given a compulsory free medical examination once a year and immunization as the case may warrant. The medical examination shall include:

- (1) Complete physical examination
- (2) Routine laboratory, Chest X-ray and ECG
- (3) Psychometric examination
- (4) Dental Examination
- (5) Other indicated examination authorized by the Department Secretary

(i) **Family and Home Visit Allowance.** – To further enhance the recruitment process and mobility of energy personnel, a monthly family and home visit allowance shall be provided to energy personnel comprised of free transportation during Saturdays and Sundays or Holidays only. *Provided*,

That the personnel have their residence outside of the fifty (50)- kilometer radius from work assignment;

(j) **Incremental Performance-Based Bonus.** - Energy personnel shall be provided of at least twenty (20%) percent additional performance-based bonus if the total annual agency accomplishment has surpassed by one hundred (100%) percent during the period covered as verified by the Department of Budget and Management;

(k) **Collective Negotiation Agreement (CNA).** – Energy personnel shall be given the right to enter into Collective Negotiation Agreements including the grant of benefits thereof in accordance with applicable rules and regulations. *Provided*, That for employees of government-owned and controlled corporations and financial institutions, the CNA may only be granted upon showing of the agency's fiscal and financial viability, and

(l) **Hardship Allowance.** - Energy workers who performed physical work performed in hazardous environments such as, the conduct of inspections, evaluation and monitoring of energy-related activities and projects be covered by Hardship Allowance of Five Hundred Pesos (Php500.00) per day.

SEC. 8. Non-Department Personnel. - Energy personnel not employed by the Department such as, but not limited to, the personnel of the Affiliated Energy Centers (AECs), comprised of State Universities and Colleges, government research and development institutions or consortium thereof, duly accredited by the Department in accordance with its relevant policies and guidelines who are involved in energy activities and projects including the officials and faculty members of State Universities and Colleges under Section 10 of this Act, may avail of the benefits under this Act

upon certification of the Secretary of the Department.

SEC. 9. *Scholarships and Grants.* - Energy personnel in public and private sectors shall be entitled to avail of scholarship benefits and grants pursuing undergraduate, graduate, post-graduate or training courses in accordance with a Scholarship Program to be implemented by the Department. Grantees of the program may study within the Philippines or abroad provided that the Department shall provide strict measures to ensure their return to the country to render the service obligation.

Recipients of undergraduate scholarships shall, after graduation, be required to render service in the government for the equivalent number of years that they availed of their scholarships. However, in case where there are no available positions in the government, they may be allowed to work in the private sector.

Scholarship privileges may be on a full-time or part-time basis and shall include tuition fee, book allowance, transportation allowance, monthly stipend, dissertation grants, insurance and the payment of regular salary and other benefits.

For this purpose, the Human Resource Development Council created under Republic Act No. 8248 shall formulate the rules and regulations to implement the Scholarship Program provided in this Act.

SEC. 10. *Offering of Energy Related Degree Programs and Trainings in Higher Education Institutions.* To further enhance the implementation of the policies under Section 2 of this Act, offering of energy related degree programs shall be mandatory to State Universities and Colleges (SUCs) with mandates and curricular offerings or programs provided in their respective Charters that include, among others, energy, geology, science and technology. Other State Universities and Colleges including private higher education institutions shall also be encouraged to offer energy related degree programs.

To fully implement this provision, SUCs offering energy related programs shall be entitled to automatic additional budget of not less than five (5%) percent of their respective annual appropriations to be used for the personnel services, MOOE and capital outlay necessary to ensure sustainability of the energy related degree programs in their respective schools. Furthermore, the Secretary of the Department or his/her authorized representative shall be member of the governing board of SUCs and private institutions offering energy related programs to ensure that it shall be complementary and contributory to the Philippine Energy Plan and thrusts of the national government. The Secretary or his/her duly authorized representative shall be entitled to the rights and privileges of a regular member of the governing board pursuant to Republic Act No. 8292, otherwise known as the "Higher Education Modernization Act of 1997" and the charters of SUCs concerned.

Furthermore, the Department shall endeavor to establish partnerships with public and private institutions for the establishment and operations of training institutes to cater to the professional, technical, administrative or managerial and executive enhancement and training needs of the energy personnel and interested individuals in the energy sector. Such amount necessary for the implementation of this provision shall be incorporated in the annual budget of the Department.

SEC. 11. *Honorarium for Other Services.* - Mining and petroleum engineers, geologists, engineers, scientists, researchers technologists, inspectors, technicians and other energy officials and personnel shall be allowed to render consultancy services to the private sector and shall be entitled to receive such honorarium that may be paid to them by the private entity concerned. Such payments shall be over and above their salary from the government during the period of the consultancy and shall not be considered as double compensation: *Provided*, That the consultancy work will not jeopardize or adversely affect the operations or activities of his/her originating office or constitute conflict of interest of his/her duties and responsibilities therein: *Provided, further*, that the Secretary of the Department approves such consultancy.

SEC. 12. *Detail to the Private Sector.* - Notwithstanding to the provisions of existing laws, officials, Mining and petroleum engineers, geologists, engineers, scientists, researchers, technologists, inspectors, technicians and energy related personnel who are employed on a regular basis in the government, whether or not they are conferred any rank under the Energy Career System, shall hereby be allowed secondment to any private entity to any private entity whenever such **services are** required:

Provided, That the duration of such service with a private entity shall not exceed one (1) year;

Provided, further, That the detail or secondment of said personnel will not hamper or adversely affect the operations or activities of his/her originating office or constitute conflict of interest of his/her duties and responsibilities therein: *Provided, finally*, That the head of the agency approves such detail or secondment.

During the period of such secondment, payment of the seconded employee shall be borne by the seconding private entity covered by a contract. The period of secondment shall be used in computing the retirement benefits but not for the commutation of leave credits earned. Such secondment shall not likewise affect his security of tenure nor result in the loss of seniority rights subject to guidelines on secondment in the IRR of this Act.

SEC. 13. *Exemption from the Attrition Law and Civil Service Rule on Nepotism.* – Except for third level positions, appointment of energy personnel to positions equivalent to salary grade ten (SG 10) and above shall not be covered by the Attrition Law and Civil Service Commission (CSC) rule on nepotism in consideration of the highly technical nature of these positions.

SEC. 14. *Provision Against Double Benefits.* - Energy personnel already receiving the same benefits under any other law shall not be allowed to avail of the benefits under this Act unless they submit in writing their intention to withdraw the benefits already being received and opt for those provided hereunder.

SEC. 15. *Highest Basic Salary Upon Retirement.* – Upon retirement, the energy personnel concerned shall automatically be granted one (1) position higher than his/her current position and his/her retirement benefits shall be computed on the basis of the equivalent salary of the next higher position/rank.

Upon retirement, the energy personnel concerned shall also be granted

retirement gratuity based on the total length of service converted into gratuity months) multiplied by the highest basic salary of the higher position/rank provided above in accordance with the provisions of Republic Act No. 1616 or "An Act Further Amending Section Twelve of Commonwealth Act Numbered One Hundred Eighty Six, as Amended, By Prescribing Two Other Modes of Retirement and For Other Purposes."

SEC. 16. *Prohibition Against Diminution and/or Elimination.* – Nothing in this law shall be construed to eliminate or in any way diminish benefits being enjoyed by energy personnel at the time of the effectivity of this Act.

SEC. 17. *Hiring of Retired Energy Personnel.* An employee retired under any existing law, who, in the judgment of the Secretary of the Department, **possesses** managerial or technical qualifications and the capability to undertake energy related activities, may be rehired on contractual basis without refunding the unexpired portion of the gratuity and accumulated leave benefits received by him/her from the Government: *Provided*, That no qualified energy expert or applicant is available to undertake said energy activities.

SEC. 18. *Government Scholars and Training Grantees.* – Graduates or grantees of government energy scholarship programs or trainings shall be given temporary waiver of CSC eligibilities for at least two (2) years and preferential access to financial grants from any government agency authorized to extend grants and loans with easy terms from government financing institutes, for energy projects which are viable and in line with the development thrust of the country.

SEC. 19. *Enhancement of Corporate Social Responsibility (CSR) Programs in the Energy Sector.* - The Department shall devise mechanism that shall enhance the Corporate Social Responsibility (CSR) Programs of the energy sector which shall redound to the benefit of the general welfare of the host local government units (LGUS) and of energy activities or projects.

The CSR commitment fund of every energy contractor shall be determined by the Department and the same be integrated in the service or operating contracts to be executed between the Department and the contractor subject to applicable laws, rules and regulations.

The duly accredited Affiliated Energy Centers shall be given preference as partner of energy contractors in the implementation of the CSR programs in their respective areas consistent with relevant policies to be issued by the Department.

SEC. 20. *Energy Awards.* - There shall be established Energy Awards Committee which shall confer annually the Energy Awards for outstanding achievements and excellence or original contribution to energy development, exploration, commercialization, utilization, transmission and distribution.

The Committee, to be constituted by the Secretary of the Department within fifteen days upon the effectivity of this Act, shall promulgate the guidelines in implementing this Section and shall specify the categories of awards to be given and the amount of financial reward for each category. Further, the Chair, Vice Chair and Members including the Technical Staff of the Committee shall be entitled with the benefits provided under 2nd paragraph of Section 7 (a) of this Act.

SEC. 21. *Congressional Commission on Energy.* – There is hereby created a Congressional Commission on Energy (Energy Com) to review and assess among others, the state of the Philippine human resources development in energy sector, the state of computerization and information technology in the energy activities and projects, and the implementation of this Act.

The Commission shall be composed of five (5) Members of the House of Representatives and five (5) Members of the Senate. It shall be Co-chaired by the Chairpersons of the Committee on Energy of both Houses of Congress. Such congressional review shall be undertaken at least once every two (2) years.

SEC. 22. *Authority of the Department to Collect, Manage and Disburse Income.* – To supplement the implementation of this Act, the Department is hereby authorized to collect any amount for the royalties from the energy activities and projects due for the government as provided under Section 7 (b) including, among others, the application, processing or supervision and regulation fees, signing bonus, training assistance, scholarship programs, and development assistance and such other reasonable fees and charges for the application and awarded service and operating contracts.

All incomes generated by the Department shall be deposited in trust accounts in the authorized government depository banks to be exclusively managed and disbursed by the Department subject to usual accounting and auditing rules and regulations.

To attain the mandate and objective of this provision, the Secretary of the Department shall create separate Compliance Services with divisions for renewable energy resources, conventional energy resources, and the DOE-administered funds from power producer/energy resource developers and such other units. The organizational staffing patterns of these Compliance Services and its divisions or units shall be submitted to the Department of Budget and Management for approval.

SEC. 23. *Establishment and Management of the Regional Offices.* – To further enhance the efforts proper and efficient protection and utilization of energy resources there is a need to strengthen the regulatory powers and functions of the Department of Energy. Toward this end, the Secretary of the Department is hereby authorized to create a Regional Office for every regional subdivision in the Philippines with adequate manpower, facilities, equipment and resources necessary in carrying out their respective mandates, regulatory authority, and duties.

The Regional Offices shall be under the direct administrative supervision and control of the Office of the Secretary or any designated official of the Department and each shall be headed by a Regional Director who shall be assisted by at least two (2) Assistant Regional Directors and Chiefs and staff of various administrative and technical divisions in accordance with the organizational staffing patterns approved by the Department of Budget and Management.

The current employees of the Department of Energy in its field offices shall be given priority in the hiring and filling-up of positions in various Regional Offices so created.

Hiring, promotions and other personnel actions of the officials and employees

shall be subject to applicable laws, rules and regulations.

SEC. 24. Research and Development (R&D) on Energy. The Department shall, in consultation with the stakeholders, formulate a short-term, medium-term and long-term Research and Development (R&D) on Energy complementary to the Philippine Energy Plan (PEP) and local and national development plans and thrusts.

To fully implement this provision, the Department Secretary is hereby authorized to create and prescribe the functions and duties of the Energy Research and Development Office (ERDO) under the direct supervision of the Office of the Secretary or his authorized representative. The organizational and staff pattern including the hiring of the Director, Division Chiefs and other personnel of the ERDO shall be subject to the approval of the DBM and in accordance with the pertinent Civil Service Commission and other applicable laws, rules and regulations.

SEC. 25. Funding. - The amount necessary to fully implement this Act shall be provided in the General Appropriations Act (GAA) of the year following its enactment into law under the budgetary appropriations of the DOE and concerned agencies.

SEC. 26. Annual Report. - The Secretary of the Department shall submit to the Congressional Commission on Energy, an annual report of the status of implementation of this Act.

SEC. 27. Implementing Rules and Regulations (IRR). - The Secretary of the Department, in consultation with government and nongovernment agencies involved in energy activities and projects, shall formulate the implementing rules and regulations to carry out the provisions of this Act.

SEC. 28. Repealing Clause. - All laws, decrees, orders, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby amended or repealed accordingly.

SEC. 29. Separability Clause. - The provisions of this Act are hereby declared separable. If any provision here unconstitutional, those that are not affected shall remain valid and effective.

SEC. 30. Effectivity. - This Act shall take effect immediately after publication in two (2) newspapers of general circulation.

Approved,