

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9727



Introduced by Hon. Kenneth T. Gatchalian

EXPLANATORY NOTE

The energy industry is one of the most highly technical and specialized sectors, where expertise is developed through extensive knowledge, experience, and industry exposure. As the principal agency responsible for the formulation and implementation of the country's energy policies, the Department of Energy (DOE) requires leadership that possesses not only competence and integrity, but also a deep understanding of the complexities of the energy sector.

At present, existing law imposes restrictions that may disqualify otherwise qualified individuals from appointment as Secretary of the DOE solely on the basis of prior affiliations with energy industry participants. While safeguards against conflicts of interest remain essential, such restrictions may unnecessarily limit the pool of competent and experienced professionals capable of leading the Department.

This measure seeks to remove the prohibitive provision while strengthening transparency and accountability mechanisms. To prevent conflicts of interest, the bill mandates the public disclosure of prior industry involvement, the divestment of any financial interests in energy-related entities, and the termination of any employment, consultancy, directorship, or

other connections with energy industry participants upon assumption of office.

By allowing highly qualified and experienced professionals to serve in the DOE, subject to strict conflict-of-interest safeguards, this bill aims to strengthen the country's energy governance and policy implementation.

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



KENNETH T. GATCHALIAN

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AN ACT
AMENDING REPUBLIC ACT NO. 7638 OTHERWISE KNOWN AS THE
DEPARTMENT OF ENERGY ACT OF 1992

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

1 **SECTION 1.** Section 8 of Republic Act No. 7638 is hereby amended to
2 read as follows:

3 “SECTION 8. The Secretary. – The Secretary shall be appointed by the
4 President, subject to confirmation by the Commission on Appointments.

5 ~~[No officer, external auditor, accountant, or legal counsel of any private company or enterprise primarily~~
6 ~~engaged in the energy industry shall be eligible for appointment as Secretary within two (2) years from his~~
7 ~~retirement, resignation, or separation therefrom.]~~
8

9 **THE SECRETARY SHALL, UPON APPOINTMENT:**

10 **A) PUBLICLY DISCLOSE THE FOLLOWING:**

11 **(i) ANY DIRECTORSHIP, EMPLOYMENT,**
12 **CONSULTANCY, CONTRACT OF SERVICE,**
13 **CONNECTION WITH, OR PECUNIARY INTEREST IN ANY**

1 ENERGY INDUSTRY PARTICIPANT IN THE PAST FIVE (5)
2 YEARS PRIOR TO THE APPOINTMENT;

3 (ii) IF A SPOUSE, PARTNER, AND ANY RELATIVE BY
4 CONSANGUINITY OR AFFINITY WITHIN THE FOURTH
5 CIVIL DEGREE IS A DIRECTOR, OFFICER, EMPLOYEE,
6 CONSULTANT, OR HAS A CONTRACT OF SERVICE, ANY
7 CONNECTION, OR PECUNIARY INTEREST IN ANY
8 ENERGY PARTICIPANT IN THE PAST FIVE (5) YEARS
9 PRIOR TO THE APPOINTMENT;

10 B) DIVEST, THROUGH SALE OR LEGAL DISPOSITION, ANY
11 AND ALL INTERESTS IN ANY ENERGY INDUSTRY
12 PARTICIPANT; AND

13 C) TERMINATE ANT DIRECTORSHIP, EMPLOYMENT,
14 CONSULTANCY, CONTRACT OF SERVICE, OR ANY
15 CONNECTION WITH ANY ENERGY INDUSTRY
16 PARTICIPANT.

17
18 XXX”

19 SEC. 2. *Separability Clause.* – Should any provision of this Act be held
20 unconstitutional, no other provision hereof shall be affected thereby.

21 SEC. 3. *Effectivity.* - This Act shall take effect fifteen (15) days after its
22 publication in at least two (2) newspapers of general circulation.

Approved,