

[**PRESIDENTIAL DECREE NO. 1573, June 11, 1978**]

AMENDING PRESIDENTIAL DECREE NO. 1206 CREATING THE DEPARTMENT OF ENERGY.

WHEREAS, Presidential Decree No. 1206 vested the Department of Energy and its Bureaus with regulatory powers over business activities dealing in the exploration, utilization, development and distribution of energy resources;

WHEREAS, it is necessary to provide the Department of Energy and its Bureaus with sufficient means and remedies through which they can effectively exercise and enforce their regulatory powers; and

WHEREAS, in view of the foregoing considerations, it has become necessary to amend Presidential Decree No. 1206.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree as follows:

SECTION 1. Section 6 of Presidential Decree No. 1206 is hereby amended to read as follows:

"SEC. 6. Bureau of Energy Development—There is created in the Department a Bureau of Energy Development, hereinafter referred to in this Section as the Bureau, which shall have the following powers and functions, among others:

"a. Administer a national program for the encouragement, guidance and whenever necessary, regulation of business activities relative to the exploration, exploitation, development and extraction of fossil fuels such as petroleum, coal, natural gas and gas liquids, nuclear fuel resources; geothermal energy resources; and non-conventional forms of energy resources;

"b. Undertake by itself or cause the undertaking by other institutions, government or private, of intensive research and development to achieve the country's self-reliance and conservation program relative to energy resources;

"c. Exercise such powers and functions of the Energy Development Board as shall hereafter be transferred to it;

"d. Issue subpoena and summon witnesses to appear in any proceeding before the Bureau;

"e. In addition to fines and/or penalties arising from contractual violations, to impose and collect, after due notice and hearing, a fine not exceeding One Thousand Pesos for every violation or non-compliance with any provision of Presidential Decree No. 87, Presidential Decree No. 972, as amended, Presidential Decree No. 1068 or any other laws being implemented by the Bureau, the rules and regulations promulgated

thereunder, its orders, decisions and rulings, or of any permit or license issued by it.

"The fine so imposed shall be paid to the Bureau, and failure to pay the fine within the time specified in the order or decision of the Bureau or failure to cease and discontinue the violation or non-compliance shall be deemed good and sufficient reason for the suspension, closure or stoppage of operations of the establishment of the person guilty of the violation or non-compliance. In case the violation or default is committed by a corporation or association, the manager or the person who has charge of the management of the corporation or association and the officers or directors thereof who have ordered or authorized the violation or default shall be solidarily liable for the payment of the fine.

"The Bureau shall have the power and authority to issue corresponding writs of execution directing the City Sheriff or Provincial Sheriff or other peace officers whom it may appoint to enforce the fine or the order of closure, suspension or stoppage of operations. Payment may also be enforced by appropriate action brought in a court of competent jurisdiction. The remedy provided herein shall not be a bar to or affect any other remedy under existing laws, but shall be cumulative and additional to such remedies.

"f. After due notice and hearing in an order to be promulgated by the Director of Energy Development, forfeit in favor of the Bureau, surety, performance, and guaranty bonds issued in favor of said Bureau;

"g. Promulgate such rules and regulations as may be necessary, subject to the approval of the Secretary, for the efficient and effective exercise of its powers and functions.

"The decisions, orders, resolutions or actions of the Bureau may be appealed to the Secretary whose decisions are final and executory unless execution thereof is enjoined by the President."

SEC. 2. Section 7 of the same Decree is hereby amended to read as follows:

SEC. 7. *Bureau of Energy Utilization.*—There is created in the Department a Bureau of Energy Utilization, hereafter referred to in this Section as the Bureau, which shall have the following powers and functions, among others:

"a. Administer a national program for the encouragement, guidance and, where necessary, regulation of such business activities as importing, exporting, storing, shipping, transporting, refining, processing, marketing, and distributing of energy resources. Energy resources mean any substance by itself or in combination with others, or after processing or refining or the application to it of technology, emanates, generates or causes the emanation or generation of energy, such as but not limited to petroleum products, coal, mash gas, methane gas, geothermal and hydroelectric sources of energy, uranium and other similar radioactive minerals, solar energy, tidal power as well as non-conventional existing and potential sources;

"b. Exercise such powers and functions of the Oil Industry Commission under Republic Act No. 6173, as amended, which are hereafter transferred to it under Section 12 of this Decree;

"c. Set conditions which would accomplish the purposes of this Decree and Republic Act No. 6173, as amended, under which persons, natural or juridical, can engage or continue engaging in the business of importing, processing, exporting, re-exporting, shipping, transporting, refining, storing, distributing, marketing or selling crude oil, gasoline, kerosene, gas and other refined petroleum products or by-products;

"d. Impose and collect application, registration and license fees or charges. If said fees or charges are not paid within the time prescribed by the Bureau, the amount thereof shall be increased by twenty-five per centum, the increment to become part of the fee or charge;

"e. After due notice and hearing, impose and collect a fine not exceeding One Thousand Pesos, for every violation or non-compliance with any term or condition of any certificate, license, or permit issued by the Bureau or of any of its orders, decisions, rules or regulations.

"The fine so imposed shall be paid to the Bureau, and failure to pay the fine within the time specified in the order or decision of the Bureau or failure to cease and discontinue the violation or non-compliance shall be deemed good and sufficient reason for the suspension, closure or stoppage of operations of the establishment of the person guilty of the violation or non-compliance. In case the violation or default is committed by a corporation or association, the manager or the person who has charge of the management of the corporation or association and the officers or directors thereof who have ordered or authorized the violation or default shall be solidarily liable for the payment of the fine.

"The Bureau shall have the power and authority to issue corresponding writs of execution directing the City Sheriff or Provincial Sheriff or other peace officers whom it may appoint to enforce the fine or the order of closure, suspension or stoppage of operations. Payment may also be enforced by appropriate action brought in a court of competent jurisdiction. The remedy provided herein shall not be a bar to or affect any other remedy under existing laws, but shall be cumulative and additional to such remedies;

"f. Formulate, develop, and periodically review and revise as necessary, a comprehensive national energy conservation program;

"g. Conduct energy audit of energy-consuming establishments to evaluate and help improve energy utilization efficiency;

"h. Develop and adopt energy utilization standards;

"i. Require energy-intensive projects and establishments to submit an energy impact assessment to cover: energy utilization efficiency of proposed project; project operation timetable; projected production and energy consumption; effect of project on the energy network system of affected area; comparison of different fuel and site alternatives to assure

most economical energy cost with due consideration to overall project economics; and

"j. Promulgate, subject to the approval of the Secretary, such rules and regulations as may be necessary for the efficient and effective exercise of its powers and discharge of its functions.

"The decisions, orders, resolutions or actions of the Bureau may be appealed to the Secretary whose decisions are final and executory unless execution thereof is enjoined by the President.

SEC. 3. Section 9 of the same Decree is hereby amended to read as follows:

"SEC. 9. Board of Energy—There is hereby created a Board of Energy, hereafter referred to in this Section as the Board, which shall be under the supervision and control of the Office of the President, and shall be composed of a Chairman and two (2) members to be appointed by the President. It shall be assisted by such technical and supportive staffs as it may appoint for the effective and efficient discharge of its powers and functions.

"The Chairman and members of the Board shall be natural-born citizens and residents of the Philippines, of good moral character and at least thirty-five years old. The Chairman shall be a lawyer with substantial experience in the practice of law. The members shall be of recognized competence in the field of economics, finance, banking, commerce, industry, agriculture, engineering, management, law or labor.

"No person who has worked within three (3) years immediately prior to his appointment or is working in any privately-owned firm engaged in the petroleum or electric industry or any other entity whose main business is directly related to or connected with any such firm shall be appointed to the Board. This disqualification shall not apply to persons employed by or in the employ of government-owned or controlled corporations engaged in the petroleum or electric industry.

"The term of office of the Chairman and members shall be four (4) years, but the first Chairman appointed shall hold office for four (4) years, and of the first two (2) members appointed, one (1) shall hold office for a term of three (3) years, and the other for a term of two (2) years.

"The Chairman of the Board shall receive a compensation of fifty-four thousand pesos annually, while the members shall each receive an annual compensation of forty-eight thousand pesos, together with such allowances as are presently enjoyed by the Chairman and members of the abolished Oil Industry Commission.

"The Board shall, after due notice and hearing where necessary, exercise the following powers and functions, among others:

"a. Regulate and fix the prices of petroleum products, and exercise such other powers and functions of the Oil Industry Commission under Republic Act No. 6173, as amended, which are hereafter transferred to it under Section 12 of this Decree.