

[ADMINISTRATIVE ORDER NO. 38, August 23, 2002]

PROVIDING FOR THE INSTITUTIONAL STRENGTHENING OF THE DEPARTMENT OF ENERGY BY REDEFINING THE FUNCTIONS AND SERVICES OF ITS BUREAUS, SERVICE UNITS AND OFFICES

WHEREAS, Section 12 of Republic Act No. 7638, known as the Department of Energy Act of 1992, empowers the Secretary of Energy, subject to the approval of the President, to reorganize, restructure, and redefine the functions of the bureaus and services for the effective discharge of the powers and functions of the Department;

WHEREAS, Section 8(d) of the said Act also empowers the Secretary of Energy to create regional offices and such other service units and divisions as may be necessary;

WHEREAS, after the creation of the Department of Energy, several laws were passed that expanded the role and functions of the Department of Energy, such as the Downstream Oil Industry Deregulation Act of 1998 (Republic Act No. 8479), the Philippine Clean Air Act of 1999 (Republic Act No. 8749), and most recently, the Electric Power Industry Reform Act of 2001 (Republic Act No. 9136);

WHEREAS, owing to the Department's expanded role in the allocation, mobilization and optimum employment of our country's energy resources, there is a need to institutionally strengthen the Department of Energy to cope with these developments;

WHEREAS, the Secretary of Energy recommends the issuance of this Administrative Order;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Policy on Institutional Strengthening. The Secretary of Energy is authorized to implement the institutional strengthening of the Department of Energy, its bureaus, units and offices, upon prior concurrence of the Department of Budget and Management, and guided by the declared policy under Section 2, Chapter 1, Book IV of the Administrative Code of 1987 that bureaus and offices shall be grouped primarily on the basis of major functions to achieve simplicity, economy and efficiency in government operations and minimize duplication and overlapping of activities.

Section 2. Bureaus and Their Functions and Services. Pursuant to Section 12 of Republic Act No. 7638, the Department of Energy shall maintain the following bureaus:

a. The Energy Resource Development Bureau (ERDB). – The ERDB shall have the following functions and services:

- i. formulate and implement policies, programs, and regulations on the exploration, development and production of energy from indigenous petroleum, petrochemical, coal and geothermal energy resources; and
- ii. undertake product and market development of coal and geothermal resources/industries.

b. The Energy Utilization Management Bureau (EUMB). – The EUMB shall have the following functions and services:

- i. formulate and implement policies, programs, and regulations on new energy technologies, alternative fuels and the efficient, economical transformation, marketing and distribution of conventional and renewable energy resources; and
- ii. undertake plans, programs and strategies to ensure efficient and judicious utilization of conventional and renewable energy resources.

c. The Energy Policy and Planning Bureau. – The Energy Planning and Monitoring Bureau is hereby renamed as the Energy Policy and Planning Bureau (EPPB). The EPPB shall have the following functions and services:

- i. develop, prepare and update an integrated national energy plan and other support plans for the energy sector;
- ii. formulate energy policies, programs and strategies;
- iii. undertake comprehensive assessment of the demand scenarios and supply options; and
- iv. undertake studies on the impact of energy policies on the economy and environment.

d. The Electric Power Industry Administration Bureau and the Oil Industry Administration Bureau. – To identify and particularize areas of responsibility in industry administration, the Energy Industry Administration Bureau is hereby re-defined according to industry, as follows:

(i) the Electric Power Industry Administration Bureau (EPIAB) and (ii) the Oil Industry Administration Bureau (OIAB).

The EPIAB shall have the following functions and services:

- i. supervise the restructuring of the electric power industry, with a view to establishing a competitive, market-based environment and encouraging private-sector participation;
- ii. formulate plans and programs that would ensure adequate, efficient and reliable supply of electricity; and