



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. (632) 929-66-26/28; 929-6635/929-3618/929-4028
IP Phone Trunkline No. 988-3367
Website: <http://www.denr.gov.ph/> E-mail: web@denrgov.ph



MEMORANDUM

FOR : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Bureau Directors
Environmental Management Bureau
Biodiversity Management Bureau
Land Management Bureau

The Officer-In-Charge, Office of the Director
Mines and Geosciences Bureau

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **INVITATION TO ATTEND THE 2ND TECHNICAL WORKING GROUP (TWG) MEETING OF THE COMMITTEE ON ENERGY OF THE HOUSE OF REPRESENTATIVES**

DATE : 02 February 2023

The Committee on Energy of the House of Representatives will have a face-to-face meeting on **February 09, 2023 (Thursday) 9:30 A.M. at Conference Rooms 3 & 4, RVM, House of Representatives** for the 2nd TWG deliberation on the Downstream Natural Gas Industry measures as follows:

1. **House Bill No. 17**, "An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating to the Transmission, Distribution, and Supply of Natural Gas, and Appropriating Funds Therefor," introduced by Hon. Ferdinand G. Romualdez, Hon. Yedda Marie K. Romualdez and Hon. Jude A. Acidre
2. **House Bill No. 29**, "An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating to the Transmission, Distribution, and Supply of Natural Gas, and Appropriating Funds Therefor," introduced by Hon. Lord Allan Jay Q. Velasco
3. **House Bill No. 173**, "An Act Developing the Philippines' Natural Gas Industry and Appropriating Funds for this purpose," introduced by Hon. Caroline L. Tanchay and Hon. Rodante D. Marcoleta
4. **House Bill No. 3015**, "An Act Providing for the National Energy Policy and Framework for the Development and Regulation of the Philippine Midstream Natural Gas Industry, and For Other Purposes," introduced by Hon. Joey Sarte Salceda

5. **House Bill No. 4097**, “An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating to the Transmission, Distribution, and Supply of Natural Gas, and Appropriating Funds Therefor,” introduced by Hon. Eric G. Yap, Hon. Paolo Z. Duterte, Hon. Edvic G. Yap, Hon. Jocelyn P. Tulfo, Hon. Jeffrey Soriano, and Hon. Ralph Tulfo
6. **House Bill No. 4267**, “An Act Developing the Philippines’ Natural Gas Industry and Appropriating Funds for this purpose,” introduced by Hon. Gus S. Tambunting
7. **House Bill No. 4615**, “An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating to the Transmission, Distribution, and Supply of Natural Gas, and Appropriating Funds Therefor,” introduced by Hon. Michael L. Romero
8. **House Bill No. 5811**, “An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating To The Transmission, Distribution And Supply Of Natural Gas, And Appropriating Funds Therefor,” introduced by Hon. Gerville “Jinky Bitrics” R. Luistro
9. **House Bill No. 6235**, “An Act Promoting the Development of the Philippine Downstream Natural Gas Industry, Consolidating for the Purpose All Laws Relating to the Transmission, Distribution and Supply of Natural Gas, and Appropriating Funds Therefor.” introduced by Hon. Rudys Caesar G. Fariñas I
10. **House Bill No. 6247**, “An Act Providing for the National Energy Policy and Framework for the Development and Regulation of the Philippine Midstream Natural Gas Industry, and for Other Purposes,” introduced by Hon. Rudys Caesar G. Fariñas I

In this regard, may we **request your additional comments and recommendations** on the House Bills, if any. Kindly submit it **on or before February 6, 2023, at 5 PM through email at denrlo@denr.gov.ph** in preparation for the TWG meeting. Further, kindly inform us of the name/s of the representative/s from your office who will participate in the meeting so we may include him/her/them as resource person/s.

Attached herewith are the Invitation letter, Agenda, Working Draft Substitute Bill, and Highlights of the 1st TWG meeting held on December 1, 2022, for your reference. The copies of the bills could be accessed through this link <https://bit.ly/3WyL6T0>.

Your attendance is highly encouraged.

ROMIROSE B. PADIN

cc: Undersecretary for Special Concerns and Legislative Affairs



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
19th Congress

COMMITTEE ON ENERGY

INVITATION TO THE TECHNICAL WORKING GROUP MEETING

February 02, 2023

To the **Concerned Stakeholders (Government and Private Sectors)**

Sir/Madam,

Please be informed that the Committee on Energy will hold a Technical Working Group (TWG) meeting on the date and time indicated hereunder:

DATE/TIME	February 09, 2023 (Thursday) 9:30 A.M., Conference Rooms 3 & 4, RVM Building
AGENDA	➤ 2 nd TWG deliberation on the Downstream Natural Gas Industry measures (HBs 17, 29, 173, 3015, 4097, 4267, 4615, 5811, 6235 and 6247)

Your active participation on the said meeting is highly appreciated. Attached are the Agenda, working draft substitute bill, and December 01, 2022 TWG Highlights of the Meeting, for your reference.

The Committee Secretariat appreciates your confirmation of attendance on or before February 06, 2023, through email address: committee.energy@house.gov.ph or at telephone number 8931-3593. You may also contact our Committee Staff, Mr. Lorenzo Nestor G. Cortes – 09189193698 or Ms. Joy Mariano – 09176265190 for the confirmation of your attendees.

In compliance with the new House protocol for visitors, may we request the attendee/s from your good office to bring negative antigen test result taken within 24 hours together with the filled-up Health Declaration Form (HDF) with the following information:

- Full Name
- Email Address
- Mobile Number
- Person to visit
- Purpose of visit
- Date of visit
- Copy of ID
- Photo of Antigen test result, if already have (24 hours prior to the date and time of visit). If attendee/s does not have an Antigen test result yet, they may bring their FDA-approved test kit or they can purchase it at HRep for P350.00.

Attached is the HDF for your perusal. Attached also is the Visitor Pass Form to be filled-up by your attendee/s and to be sent back to the Committee at least two (2) days prior to the scheduled Committee hearing.

Thank you very much.

Very truly yours,

RODANTE D. MARCOLETA
TWG Chairperson

For the TWG Chairperson:


MELANIE T. AÑAIN
Committee Secretary



COMMITTEE ON ENERGY

TECHNICAL WORKING GROUP MEETING

February 09, 2023 (Thursday), 9:30 A.M.
Conference Rooms 3 & 4, RVM Building

A G E N D A

- I. Call to Order/Roll Call
- II. Remarks of TWG Chairperson Rodante D. Marcoleta
- III. Acknowledgement of TWG Members and Participants
- IV. 2nd TWG deliberation on the Downstream Natural Gas Industry measures (HBs 17, 29, 173, 3015, 4097, 4267, 4615, 5811, 6235 and 6247)
- V. Other Matters
- VI. Adjournment

Invited Resource Persons/Guests:

1. Department of Energy (DOE)
2. Department of Finance (DOF)
3. Department of Trade and Industry (DTI)
4. Department of Environment and Natural Resources (DENR)
5. Department of Trade and Industry–Board of Investments (DTI–BOI)
6. Department of Trade and Industry–Bureau of Philippine Standards (DTI–BPS)
7. Department of Health (DOH)
8. Department of Transportation (DOTR)
9. Department of the Interior and Local Government (DILG)
10. National Economic and Development Authority (NEDA)
11. Philippine Coast Guard (PCG)
12. Energy Regulatory Commission (ERC)
13. Philippine National Oil Company–Exploration Corporation (PNOC–EC)
14. Philippine Competition Commission (PCC)
15. Philippine Independent Power Producers Association (PIPPA)
16. Shell Philippines Exploration B.V (SPEX)
17. First Gen Corporation
18. Energy World Corporation (EWC)
19. SMC Global Power (SMCGP)
20. Center for Energy, Ecology and Development (CEED)



COMMITTEE ON ENERGY

CTSS 1, Committee Affairs Department, 3rd Flr., RVM Building, House of Representatives, Constitution Hills, Quezon City
Tel. No. +63 2 8931-3593 or 8931-5001 local 7133; Fax No.: +63 2 8931-3593; Email: committee.energy@house.gov.ph

HIGHLIGHTS OF THE TECHNICAL WORKING GROUP MEETING OF THE COMMITTEE ON ENERGY CONDUCTED ON DECEMBER 01, 2022, 09:00 AM AT SPEAKER AQUINO-MAKALINTAL HALL, SOUTH WING ANNEX, HOUSE OF REPRESENTATIVES

Attendance:

Hon. Rodante D. Marcoleta - TWG Chairperson

Resource Persons:

Atty. Rino Abad	-	Director, OIMB-DOE
Ms. Laura Saguin	-	Division Head, OIMB-DOE
Atty. Gabriel Corpuz	-	Attorney V, DOE
Ms. Roselyn Domo	-	Chief Tax Specialist, NTRC
Ms. Romalyn Manalo	-	Investment Specialist, DTI-BOI
Mr. Jovaniel Madeja	-	Supervising Health Program Officer, DOH
Ms. Wyona Rativo	-	Representative, DENR-EMB
Atty. Denise Baviera	-	Attorney IV, Legal Service, DOTr
Mr. Armando Ramirez-	-	Senior Economic Development Specialist, NEDA
Mr. Rolando Oliquino, Jr.	-	VP for Downstream Operations Division, PNOC-EC
Atty. Maria Adela Ching	-	Attorney IV, Office of the Executive Director, ERC
Capt. Ernesto Lazaro	-	Representative, PCG
Atty. Ramon Jeriel Sawit	-	Competition Policy Research Officer V, PCC
Atty. Basil Maguigad	-	Representative, PIPPA
Mr. Warren Patrick Belvis	-	Regulatory Compliance Officer, SMC Global Power
Atty. Jojo Cabaguio	-	Legal Officer, SMC Global Power
Mr. Joven Hernandez	-	LNG Business Development Manager, SPEX
Atty. Marc Miranda	-	Legal and Regulatory Group, First Gen Corporation
Atty. Avril de Torres	-	Executive Director, CEED
Mr. Ivan Andres	-	Representative, CEED

I. CALL TO ORDER

The Honorable Rodante D. Marcoleta, Chairperson of the Technical Working Group (TWG), presided and called the meeting to order at 09:07 a.m.

II. ACKNOWLEDGEMENT OF MEMBERS AND RESOURCE PERSONS/GUESTS

Upon the instruction of TWG Chairperson Marcoleta, Energy Committee Secretary Melanie T. Añain acknowledged the presence of the resource persons and guests from the Department of Energy (DOE), Department of Finance (DOF), Department of Transportation (DOTr), Department of Health (DOH), Department of Trade and Industry–Board of Investments (DTI-BOI), DTI-Bureau of Philippine Standards (DTI-BPS), Department of Environment and Natural Resources–Environmental Management Bureau (DENR-EMB), Philippine National Oil Company–Exploration Corporation (PNOC-EC), Energy Regulatory Commission (ERC), Philippine Competition Commission (PCC), Philippine Coast Guard (PCG), First Gen Corporation, San Miguel Corporation Global Power (SMC Global Power), Philippine Independent Power Producers Association (PIPPA), and the Center for Energy, Ecology and Development (CEED).

III. MEETING PROPER

1ST Technical Work Group (TWG) Meeting on House Bills No. 17, 29, 173, 3015, 4097, 4267, 4615, 5811, 6235, and 6247 “Development of Natural Gas Industry Measures”

The Committee on Energy conducted its 1st Technical Working Group (TWG) meeting on House Bills No. 17, 29, 173, 3015, 4097, 4267, 4615, 5811, 6235, and 6247. TWG Chairperson Marcoleta stated that the objective of the meeting is to hear all the comments from the stakeholders and discuss all the contentious issues on the bills. raised during the initial deliberation of the Committee. He queried on all stakeholders if they were able to submit their position paper on the bills to the Committee. He likewise requested the stakeholders of their comments on the bills.

DOE Director Atty. Rino Abad informed that the DOE had issued in the latter part of 2017 a regulatory framework governing the natural gas industry. TWG Chairperson Marcoleta opined that the ERC should regulate the rates. Atty. Abad stated that the existing circular does not include rate-setting.

CEED Deputy Executive Director Atty. Avril de Torres stated that they were not able to submit their official position paper but they were on the process of finalizing it. She stated that the focus of their comments will be on: (1) whether the draft bill promotes the conversion of existing fuel-operated machines and facilities to natural gas use; (2) maximum capacity for natural gas in the energy mix; and (3) the prices and cost of putting up a natural gas power plant as compared to renewable energy power plants.

ERC Attorney IV Atty. Maria Adela Ching informed that the ERC already submitted their position paper to the Committee. She said that they will furnish the Committee with their updated position paper.

PCG Captain Ernesto Lazaro said they interpose no objection on the measures but made an amendment on Section 7 under the Chapter on Powers and Responsibilities of Government Agencies of House Bill No. 4615. He suggested that the PCG should be included on the said Chapter. He explained that only the PCG is empowered under the law to oversee compliance to foregoing requirements of facilities and apparatus necessary to respond on any spill or leak of the chemicals or substances stored or being handled in any location.

DOH Senior Health Program Officer Mr. Jovaniel Madeja and PIPPA Representative Atty. Basil Maguigad, stated that they fully support the measures and will submit their official position paper to the Committee. DTI-BOI Investment Specialist Romalyn Manalo stated that the BOI is in support of the natgas bill especially on the fiscal and non-fiscal incentives. Chairperson Marcoleta requested the BOI on the list of incentives and commented that outside power plants should be encouraged to invest on LNG facility.

First Gen Corporation Legal and Regulatory Group Atty. Marc Miranda expressed full support on the measures. He assured the Committee of First Gen's full participation and will provide technical inputs to the TWG.

PCC Competition Policy Research Officer V Atty. Ramon Jeriel Sawit, DOTr Attorney II of the Legal Service, Atty. Denise C. Baviera, SMC Global Power Regulatory Compliance Officer Mr. Warren Patrick G. Belvis, PNOC-EC Vice President for Downstream Operations Mr. Rolando Oliquino, Jr., and NTRC Chief Tax Specialist Ms. Roselyn Domo informed that they already submitted their position paper to the Committee and committed their full participation to the TWG.

DENR-EMB Air Quality Management Section Engineer Wyona Rativo stated that DENR-EMB has no objection on the measures and they fully support the legislative measures wherein the primary intention is to promote the use of LNG as an alternative and environment-friendly source of energy. The Bureau suggested that aside from the power and responsibilities of the DENR mentioned under Section 7, Chapter III of House Bill No. 4615, another provision should be added requiring the owners or operators of the LNG terminal, transmission and distribution systems to secure an Environmental Compliance Certificate from the DENR.

TWG Chairperson Marcoleta requested the stakeholders to focus their comments on creating an LNG Terminal. He reiterated to submit their updated comments before the next scheduled TWG meeting in order for the Committee to incorporate all their concerns and suggestions on the working draft bill.

IV. ADJOURNMENT

There being no other matters to discuss, the meeting was adjourned at 10:32 A.M.

Prepared by:

Attested by:



PAOLO P. STUART DEL ROSARIO
Supervising Legislative Staff Officer II



MELANIE T. AÑAIN
Committee Secretary

Noted by:



RODANTE D. MARCOLETA
TWG Chairperson



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

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HEALTH DECLARATION FORM

Body Temperature:	A.M.	P.M.
Last Name	First Name	Middle Name
Nationality:	Sex:	Age:
Email Address:		Cellphone Number:
Present Address:	Street	Barangay
Municipality/City/Province		
Foreign countries you have worked, visited, transited in the past 14 days		
Cities in the Philippines you have worked, lived or transited in the past 14 days		
Have you been sick in the past 14 days? Hospital visited, if any?		<input type="checkbox"/> 'Yes', please describe condition: <input type="checkbox"/> No
Are you experiencing or have experienced, within the last 14 days, any of the following COVID-19 symptoms:		
<input type="checkbox"/> fever or chills <input type="checkbox"/> cough <input type="checkbox"/> shortness of breath or difficulty in breathing <input type="checkbox"/> fatigue <input type="checkbox"/> muscle or body aches <input type="checkbox"/> headache <input type="checkbox"/> loss of taste or smell <input type="checkbox"/> sore throat <input type="checkbox"/> congestion or runny nose		
<input type="checkbox"/> sore eyes <input type="checkbox"/> nausea or vomiting <input type="checkbox"/> diarrhea <input type="checkbox"/> cutaneous (skin) manifestation /lesion especially in children <input type="checkbox"/> neurological manifestations like new confusion, impaired level of consciousness, or stroke-like symptoms <input type="checkbox"/> others _____		
<input type="checkbox"/> No		
Within the last 14 days, have you been directly exposed to a COVID-19: <i>If you checked Yes, please describe circumstance:</i> Yes <input type="checkbox"/> suspect case (including a member of your household who has been sick in the past 14 days) <input type="checkbox"/> probable case <input type="checkbox"/> confirmed case <input type="checkbox"/> No		Within the past 14 days, have you taken any test to detect if you have COVID-19? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If Yes, please specify the kind of test and the result:</i>
In the last 14 days, have you been in close contact with farm animals or exposed to wild animals?		<input type="checkbox"/> 'Yes', please describe circumstance: <input type="checkbox"/> No

Declaration and Data Privacy Consent Form:

The information I have given is true, correct, and complete. I understand that failure to answer any question or giving false answer can be penalized in accordance with law.

I voluntarily and freely consent to the collection and sharing of the above personal information only in relation to the HRep COVID-19 internal protocols.

 Name and Signature

 Date

Please be advised that the above information shall only be used in relation to the HRep COVID-19 internal protocols in accordance with the Data Privacy Act. For any concerns, you may contact secretary.general@house.gov.ph



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

PAUNAWA: Ang House of Representatives (HRep) ay istriktong nagpapatupad ng "NO-FACE-MASK-AND-FACE-SHIELD, NO-ENTRY" bilang polisiya. Panatilihing nakasuot ang inyong face mask at face shield habang kayo ay nasa loob ng HRep.

PAHAYAG TUNGKOL SA KALUSUGAN

Temperatura ng Katawan:	N.U.	N.H.
Apelyido	Unang Pangalan	Gitnang Pangalan
Nasyonalidad:	Kasarian:	Edad:
Numero ng Cellphone:		
Email Address:	Lugar ng Trabaho:	
Kasalukuyang Tirahan:	Kalye	Barangay
Munisipalidad/Lungsod/Probinsya		
Sa nakaraang 14 na araw, mga bansa kung saan ka nagtrabaho, nagpunta, o dumaan		
Sa nakaraang 14 na araw, mga siyudad sa Pilipinas kung saan ka nagtrabaho, nagpunta, o dumaan		
Nitong nakaraang 14 araw, ikaw ba ay nagkasakit? Bumisita sa isang <input type="checkbox"/> 'Oo', <i>tukuyin:</i> <input type="checkbox"/> Hindi Ospital?		
Kasalukuyang nakakaranas or nakaranas ka ba sa nakaraang 14 na araw ng mga sumusunod na sintomas:		
<input type="checkbox"/> lagnat o panginingig <input type="checkbox"/> ubo <input type="checkbox"/> kinakapos sa paghinga o hirap sa paghinga <input type="checkbox"/> pagkapagod <input type="checkbox"/> sakit sa kalamnan <input type="checkbox"/> sakit ng ulo <input type="checkbox"/> pagkawala ng pang-amoy o panlasa <input type="checkbox"/> namamagang lalamunan <input type="checkbox"/> baradong ilong o sipon	<input type="checkbox"/> pamumula ng mata <input type="checkbox"/> pagduduwal o pagsusuka <input type="checkbox"/> madalas na pagdumi <input type="checkbox"/> pamamantal o sugat sa balat lalo na sa bata <input type="checkbox"/> neurological na manipestasyon tulad ng bagong pagkalito, pagbabago sa kamalayan, o tulad ng sintomas ng stroke <input type="checkbox"/> iba pa _____	<input type="checkbox"/> Hindi
Sa nakaraang 14 na araw, nagkaroon ka ba ng malapitang pakikisalamuha sa COVID-19 na: <i>Kung 'Oo', ipaliwanag:</i> <input type="checkbox"/> Oo <input type="checkbox"/> pinaghihinalang kaso (<i>kasama ang miyembro ng inyong sambahayan na may sakit sa nakaraang 14 na araw</i>) <input type="checkbox"/> maaaring kaso <input type="checkbox"/> kumpirmadong kaso <input type="checkbox"/> Hindi	Sa nakaraang 14 na araw, ikaw ba ay sumailalim sa anumang pagsusuri para matukoy kung ikaw ay may COVID-19? <input type="checkbox"/> Oo <input type="checkbox"/> Hindi <i>Kung Oo, ihayag kung anong uri ng pagsusuri at kung ano ang resulta nito:</i>	
Sa nakaraang 14 na araw, meron ka bang pagkakataong napalapit sa mga hayop sa bukid o mga mabangis na hayop? <input type="checkbox"/> 'Oo', <i>tukuyin:</i> <input type="checkbox"/> Hindi		
<p><u>Pahayag at Pahintulot sa Pagkalihim ng Datos:</u></p> <p>Ang impormasyong aking ibinigay ay totoo, tama, at kumpleto. Nauunawaan ko na ang hindi ko pagsagot sa anumang katanungan o pagbibigay ng hindi totoong kasagutan ay may karamptang parusa sa ilalim ng batas.</p> <p>Ako ay kusa at malayang nagbibigay pahintulot sa paglikom at pagbahagi ng mga personal na impormasyong aking ibinigay alinsunod sa HRep COVID - 19 panloob na alituntunin.</p>		
Pangalan at Pirma		Petsa
Pinapaunawa na ang impormasyong ibinigay sa itaas ay gagamitin lamang ayon sa HRep COVID-19 panloob na alituntunin, ayon sa Data Privacy Act. Para sa anumang katanungan, makipagugnayan sa secretary.general@house.gov.ph		



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____

Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Jude A. Acidre, Wilter Y. Palma, Jurdin Jesus M. Romualdo, Harris Christopher M. Ongchuan, Maria Carmen S. Zamora, Shernee A. Tan-Tambut, Noel “Bong” N. Rivera, Jonathan Keith T. Flores, Ralph G. Recto, Carl Nicolas C. Cari, Emigdio P. Tanjuatco III, Francisco Paolo P. Ortega V, Ramon Jolo B. Revilla III, Lord Allan Jay Q. Velasco, Princess Rihan M. Sakaluran, Kristine Singson-Meehan, Rodante D. Marcoleta, Caroline L. Tanchay, Joey Sarte Salceda, Ambrosio A. Cruz, Eric G. Yap, Paolo Z. Duterte, Edvic G. Yap, Jeffrey Soriano, Gus S. Tambunting, Michael L. Romero, Ph.D.

AN ACT

PROMOTING THE DEVELOPMENT OF THE PHILIPPINE DOWNSTREAM NATURAL GAS INDUSTRY, CONSOLIDATING FOR THE PURPOSE ALL LAWS RELATING TO THE TRANSMISSION, DISTRIBUTION AND SUPPLY OF NATURAL GAS, AND APPROPRIATING FUNDS THEREFOR

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

CHAPTER I

TITLE AND DECLARATION OF POLICY

SECTION 1. **Short Title.** – This Act shall be known as the *"Philippine Downstream Natural Gas Industry Development Act."*

SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to:

(a) Promote the use of natural gas as a safe, environment-friendly, efficient, ~~[and]~~ cost-effective and transitional energy source ~~[of energy]~~ that shall bridge the gap in transitioning from fossil fuel to renewable energy (GDP), and ~~[an indispensable contributor to grid security, especially with the entry of more]~~ a complementary fuel source to ~~[intermittent]~~ variable (CEED) renewable energy sources by establishing the Philippine Downstream Natural Gas Industry (ERC) (PDNGI) for the benefit of all segments of the nation’s population and all sectors of its economy;

(b) Promote natural gas as the ~~[energy]~~ bridge fuel, which has tremendous potential to displace coal and oil use, and meet the increasing local demand for fuel, and the development

1 of the Philippines as a Liquefied Natural Gas (ERC) (LNG) trading and transshipment hub
2 within the Asia-Pacific Region, while the renewable energy industry is maturing and grid
3 flexibility is enhancing as part of the Philippines' energy transition to meet the Paris
4 Agreement's goal of limiting global average temperature to 1.5 degrees Celsius above pre-
5 industrial levels. (CEED) In all cases, the State shall ensure the safe, secure, reliable,
6 transparent, competitive and environmentally responsible operation of the PDNGI value chain;

7 (c) Provide a conducive industry environment through the issuance of regulatory policies
8 based on the Philippine Downstream Natural Gas Industry Regulations (PDNGR), [~~regulations,~~
9 ~~safety code, product quality and facility operational standards~~] the localized codes and
10 standards for products, facilities and its operations based on the Philippine National Standards
11 (PNS) (GPDP), and plans and programs geared towards the promotion and development of the
12 PDNGI in accordance with the Philippines' energy transition and latest climate science
13 (CEED);

14 (d) Promote the conversion of existing fossil fuel-operated [~~machines~~] equipment (GPDP)
15 and facilities to natural gas use, provided it is technically and financially feasible;

16 (e) Promote access to and the financial viability of the PDNGI by liberalizing the entry of
17 investors under a system of competition, transparency and fair trade and providing responsive
18 policy support, with the end goal of attaining fair price for all stakeholders;

19 (f) Promote the role of natural gas as an additional energy source and complementary fuel
20 to variable renewable energy by creating a legal and regulatory framework that would govern
21 the promotion and development of the natural gas industry in the country (HB 3015);

22 (g) Ensure compliance with [~~International and Philippine~~] the Philippine Downstream
23 Natural Gas standards on health, safety, security, and environment (HSSE) standards and best
24 practices under a system of safe, secure, high-quality, environmentally responsible operation
25 and services that afford protection to consumers;

26 (h) Encourage the inflow of private capital through equity participation by the private
27 sector in the downstream natural gas value chain including gas transmission and distribution
28 utilities;

29 (i) Ensure transparent and reasonable price of natural gas and rates for its importation,
30 storage and regasification, transmission and distribution in a regime of open and fair
31 competition and full public accountability that shall promote greater operational and economic
32 efficiency and enhanced competitiveness of the Philippine products in the global market;

33 (j) Develop the necessary trades, technical expertise and skills to support the PDNGI; and

34 (k) Facilitate the development of power and non-power (GPDP) end-uses of natural gas
35 including the use of natural gas as fuel for power, commercial, industrial, residential and

1 transport applications (GPDP) that promote fuel diversity and compliance with existing
2 environmental laws.

3 **SEC. 3. Scope.** – This Act shall provide a framework for the development of the PDNGI and
4 its transition from emerging industry into mature industry status within a competitive natural
5 gas market, and define the responsibilities of various government agencies and private entities
6 in furtherance of this national goal.

7 All activities of the Department of Energy (DOE), Energy Regulatory Commission (ERC) and
8 other concerned government agencies relevant to the development and regulation of the
9 PDNGI shall be in accordance with this Act.

10 **SEC. 4. Definition of Terms.** – As used in this Act:

11 (a) *Affiliates* refer to the corporate relationships of two or more persons, one of whom either
12 owns or controls or is being controlled by other persons. As used herein, “control” shall mean
13 the power to direct or cause the direction of management policies as an inherent part of
14 decision-making power;

15 (b) *Anti-Competitive Behavior* refers to ~~[the practices and agreements in violation of the~~
16 ~~provisions]~~ any acts enumerated under Section 14 and Section 15 (PCC) of Republic Act No.
17 10667, otherwise known as the “*Philippine Competition Act*”;

18 (c) *Capacity* refers to the maximum flow expressed in ~~[normal cubic meters per time unit~~
19 ~~or in energy unit per time unit]~~ standard cubic meter per time or in energy unit per time unit
20 (First Gen);

21 (d) *Delivery* refers to the transmission or distribution of natural gas and the supply of
22 natural gas at wholesale or retail;

23 (e) *Distribution* refers to the transportation of natural gas through a gas distribution system
24 to end-users;

25 (f) ~~[Distribution system refers generally to the pipeline and related facilities used to~~
26 ~~transport natural gas extending between the last delivery point of the transmission system to~~
27 ~~the last connection point to the end-user;]~~ (ERC proposed to delete this definition because there
28 is already a separate definition for natural gas distribution system)

29 (g) *End-user* refers to any person that will receive delivery of natural gas for resale or final
30 use;

31 (h) *Franchise* refers to the right, privilege and authority issued by Congress authorizing a
32 person to engage in the transmission of natural gas or distribution of natural gas within a
33 specific geographical area;

34 (i) *Gathering facilities* refer to natural gas pipelines and its ancillary facilities used to
35 gather gas in the field and bring it to a location for processing or for delivery at an

1 interconnection with the gas transmission system. The terms "gather" and "gathering" shall be
2 construed accordingly;

3 (j) *Importation* refers to the act of bringing LNG into the Philippines;

4 (k) *Insurance* refers generally to a risk-transfer mechanism that ensures full or partial
5 financial compensation for the loss or damage caused by events beyond the control of the
6 insured party wherein compensation is normally proportionate to the loss incurred;

7 (l) *Liquefied natural gas or LNG* refers to natural gas which has been liquefied by cooling
8 at a cryogenic temperature;

9 (m) *Midstream natural gas industry* refers to the aggregation, supply, importation,
10 exportation, receipt, unloading, loading, processing, storage, regasification, transmission,
11 bunkering, and transportation of natural gas in its original or liquefied form, but shall exclude
12 the retail of natural gas. It utilizes, among others, LNG terminals, dedicated natural gas
13 pipelines, natural gas transmission systems, storage facilities, bunkering facilities, virtual
14 pipelines. and motor vehicles and marine vessels transporting natural gas; (HB 3015)

15 (n) *Natural gas* refers to gas obtained from boreholes and wells consisting primarily of a
16 mixture of methane, ethane, propane and butane with small amounts of heavier hydrocarbons
17 and some impurities, consistent with the Philippine National Standards (PNS) or the standards
18 developed by the International Organization for Standardization (ISO);

19 (o) *Natural gas distribution code* refers to the code to be formulated by the DOE pursuant
20 to Section 5(g) of this Act that shall set the technical performance standards for operating gas
21 distribution utilities and the minimum financial standards for natural gas distribution
22 utility[systems] (ERC);

23 (p) *Natural gas distribution system* refers to the system of conventional pipelines and
24 related facilities extending from the delivery points where the gas distribution system receives
25 the natural gas to the point of connection in the premises of the end-user; and any available
26 virtual pipeline that allows alternative modes of transportation;

27 (q) *Natural gas distribution utility* refers to any person engaged in the operation of a natural
28 gas distribution system providing services for general public use, which requires a franchise to
29 operate a natural gas distribution system; (ERC)

30 (r) *Natural gas sales and purchase agreement* or *NGSPA* refers to any contract or
31 agreement for the delivery and sale of indigenous or imported natural gas by and between
32 sellers, suppliers, buyers and end-users;

33 (s) *Natural gas transmission code* refers to the code to be developed by the DOE pursuant
34 to Section 5(g) of this Act that shall set the technical performance standards for operating gas
35 transmission systems and the minimum financial standards for natural gas transmission
36 utilities; (ERC)

- 1 (t) *Natural gas transmission system* refers to the system of high-pressure pipelines, storage
2 and its ancillary facilities that are used to transport natural gas from the interconnection with
3 gathering facilities, other LNG-related facilities and other natural gas transmission or
4 distribution systems; (ERC)
- 5 (u) *Natural gas transmission utility* refers to a natural or juridical person that has a franchise
6 to operate or is intending to operate a gas transmission system except own-use pipelines;
- 7 (v) *Own-use permit* refers to an authorization granted by the DOE to a permit holder or
8 operator for the exclusive use by the operator or its affiliates in the operation of its natural gas
9 facility;
- 10 (w) *Permit* refers to an authorization issued by the DOE for the importation, construction,
11 commercial operation and maintenance of natural gas facilities;
- 12 (x) *Permit holder or operator* refers to a natural or juridical person who is granted a permit
13 by the DOE to engage in the importation, construction, commercial operation and maintenance
14 of natural gas facilities;
- 15 (y) *Person* refers to a natural or juridical person, as the case may be, including the national
16 and local governments of the Republic of the Philippines, its agencies and instrumentalities,
17 and government-owned and controlled corporations;
- 18 (z) *Philippine downstream natural gas industry* or *PDNGI* refers to the sectors of
19 transmission, distribution, supply, and use of natural gas and their related activities, such as
20 importation, storing, regasification, transmission and distribution of natural gas to end-users;
- 21 (aa) *Philippine Downstream Natural Gas Industry Regulations or PDNGR* (GPDP: Include
22 the official definition from the DOE)
- 23 (bb) *Philippine Energy Plan* or *PEP* refers to the overall energy program formulated and
24 updated yearly by the DOE and submitted to Congress pursuant to Republic Act No. 7638,
25 otherwise known as the “*Department of Energy Act of 1992*”, as amended;
- 26 (cc) *Rates* refer to the payment on the utilization of the capacity and use of other services
27 offered by the permit holder or operator of the transmission and distribution pipeline;
- 28 (dd) *Supplier* refers to any person engaged and registered with the DOE to trade on
29 indigenous or imported LNG and their subsequent supply to end-users;
- 30 (ee) *Supply* refers to the trade or sale of indigenous or imported natural gas and their
31 subsequent sale to end-users;
- 32 (ff) *Third-party access or TPA* refers to a transparent, fair, reasonable (PCC) and non-
33 discriminatory access and utilization by a third-party user of the excess capacity of the LNG
34 terminal and its related facilities;

1 (gg) *Transmission* refers to the transportation of natural gas through a natural gas
2 transmission system;

3 (hh) *Virtual Pipeline* refers to alternative methods of transporting natural gas to places where
4 there is no pipeline network available. It is based on a modular system of compression or
5 liquefaction, transport and decompression and regasification of natural gas, which
6 communities, industries, gas stations and others may use.

7 **CHAPTER II**

8 **POWERS AND RESPONSIBILITIES OF THE DOE AND THE ERC**

9 **SEC. 5. Powers and Responsibilities of the DOE.** – In addition to its existing powers and
10 functions, the DOE shall have the overall responsibility of supervising and monitoring the
11 development of the Philippine downstream natural gas industry. Towards this end, the DOE
12 shall perform the following powers and functions:

13 (a) Prepare the Natural Gas Industry Development Plan (NGIDP) within two (2) years from
14 the effectivity of this Act, incorporating therein the plans submitted by public and private
15 stakeholders after open discussions and consultations with them. The NGIDP shall consist of
16 approved regasification, transmission and distribution development plans which shall be
17 [~~integrated into~~] aligned with the Philippine Energy Plan (PEP), based on the latest climate
18 science, include the displacement of coal and oil by natural gas, and the eventual displacement
19 of natural gas by renewable energy (CEED), and reviewed and updated every three (3) years
20 after its adoption;

21 (b) Establish standards on gas quality, facility installation and safety and security (GPDP)
22 of operation, and environmental preservation (GPDP), in coordination with the Bureau of
23 Philippine Standards of the Department of Trade and Industry. (DTI) For this purpose, a
24 Philippine Inter-Agency Technical Committee (PIA-TC) shall be created by the Bureau of
25 Philippine Standards (BPS) to be chaired by the DOE. The PIA-TC shall have as members the
26 representatives of concerned government agencies and private industries. A Philippine Inter-
27 Agency Health, Safety, Security and Environment Inspection and Monitoring Team (PIA-
28 HSSE IMT) shall likewise be created to monitor and enforce compliance with established
29 standards;

30 (c) Evaluate applications and issue permits on the importation, exportation, receipt,
31 unloading, loading, storage, regasification of liquefied natural gas; transmission, distribution,
32 marketing, utilization, aggregation of natural gas; and the safe, secure, reliable and efficient
33 planning, construction, operation, expansion, modification, maintenance, decommissioning
34 and abandonment of the downstream natural gas industry infrastructure and facilities;

- 1 (d) Evaluate applications for permits or authorities to operate, including a Notice to
2 Proceed (NTP), a Permit to Construct, Expand, Rehabilitate and Modify (PCERM), and a
3 Permit to Operate and Maintain (POM) downstream natural gas projects and facilities,
4 accreditation to import, supply and transport natural gas, Acknowledgement to Import (ATI)
5 LNG and Acknowledgement to Supply and Transport (AST) natural gas;
- 6 (e) Review, suspend or revoke, after due notice and hearing, permits issued in accordance
7 with the preceding paragraphs (c) and (d) herein, and Section 12 of this Act after a finding of
8 non-compliance with the provisions of this Act, rules and regulations that shall be issued to
9 implement it, and related issuances;
- 10 (f) Issue a written approval on the assignment or transfer of interest on any permits issued
11 in accordance with Section 50 of this Act, after finding that the assignee or transferee has met
12 all the legal, technical, and financial qualifications and has committed itself to assume all
13 existing obligations of the permit holder, and such assignment or transfer is in accordance with
14 existing laws, rules, and regulations: *Provided*, That permits requiring the prior issuance of a
15 legislative franchise shall not be subject to assignment or transfer of interest;
- 16 (g) Issue, in coordination with the ERC and in consultation with other concerned
17 government agencies and the PDNGI participants, the Natural (ERC) Gas Transmission and
18 Distribution Codes, which shall contain the standards and best practices on safe, high-quality,
19 environmentally responsible and consumer protected operation and service, competitive
20 practices and reasonable rates of service;
- 21 (h) [~~Endorse~~] Notify the and endorse the Philippine Competition Commission (PCC) and
22 endorse (GPDP) requests for investigations [~~to the Philippine Competition Commission (PCC)~~
23 ~~of~~] on any anti-competitive behavior in the conduct of any business under the downstream
24 natural gas industry;
- 25 (i) Issue directives to qualified government agencies, in their capacities as investing arms,
26 to spearhead the development of the PDNGI value chain as the DOE may deem imperative to
27 catalyze its development within a given timeline;
- 28 (j) Determine the qualifications and detailed responsibilities of the Natural Gas
29 Transmission System Operator (NGTSO) and Natural Gas Distribution Utilities (NGDUs)
30 pursuant to their responsibilities provided in this Act; (ERC suggests to define NGTSO)
- 31 (k) Initiate actions against the NGTSO or NGDUs for failure to comply with the
32 qualifications and detailed responsibilities specified in this Act;
- 33 (l) Review and approve the natural gas supply and regasification development plan of the
34 regasification terminal owner or operator, natural gas transmission development plan of the
35 NGTSO, and the natural gas distribution development plans of the NGDUs, [~~and integrate the~~

1 ~~same into the~~] which should be aligned to the PEP and based on the latest climate science
2 (CEED);

3 (m) Require the PDNGI participants to submit the regasification, transmission and
4 distribution development plans, and regular and special reports regarding the organization,
5 business, conduct, practices, and management of any business entity duly registered as part of
6 the downstream natural gas industry, subject to Section 20 hereof; ~~and~~

7 (n) Establish restrictions on the capacity, lifespan, technology, and emissions of natural gas
8 projects for the eventual sunset of the industry, as determined in the Philippine Energy Plan
9 (PEP), and based on the latest climate science; and (CEED)

10 (o) Exercise such other powers and functions as may be necessary or incidental to attain
11 the objectives of this Act. Subject to existing laws, rules and regulations, the DOE is hereby
12 authorized to create offices and appoint personnel as may be necessary to efficiently and
13 effectively implement this Act.

14 **SEC. 6. Powers and Responsibilities of the ERC.** – In addition to its existing powers and
15 functions, the ERC shall have the sole regulatory responsibility for establishing the rates and
16 related terms and conditions of service for the transmission and distribution, regasification and
17 supply of natural gas to the extent that such activities are regulated pursuant to the requirements
18 set forth in this Act. It shall:

19 (a) In the public interest, establish and enforce a methodology for setting transmission,
20 distribution, and supply rates, taking into account all relevant considerations, including the
21 efficiency or inefficiency of the regulated entities. The rates shall be to allow the recovery of
22 just and reasonable costs ~~[and a reasonable return to enable the entity to operate viably]~~ without
23 granting license to indiscriminately change any and all types of expenses incurred at exorbitant
24 rates, and at all times protecting the rights of consumers and balancing the interests of all
25 stakeholders (CEED). The ERC may, upon due notice and public consultation, adopt
26 internationally accepted rate setting methodology. The rate setting methodology so adopted
27 and applied shall promote efficiency and ensure a reasonable price or tariff, ~~and the~~ rates to
28 be prescribed shall be non-discriminatory, and shall prohibit an automatic pass-through of fuel
29 cost to end-users to promote competition among all energy sources and protect consumers from
30 volatile fuel costs (CEED). For this purpose, the ERC is hereby authorized to require from all
31 participants in the natural gas supply chain all necessary and appropriate records and
32 documents relevant to the determination of just and reasonable fuel cost used in power
33 generation as recoverable component of electricity cost to end-users;

34 (b) Regasification services and supply services shall be subjected to rate regulation when
35 there is no competing regasification operators;

- 1 (c) Apply administrative procedures that will ensure the constitutional right to due process;
- 2 (d) Before the end of April of each year, submit to the Office of the President of the
3 Philippines and Congress, copy furnished the DOE, an annual report containing such matters
4 or cases, which have been filed before or referred to it during the preceding year, the actions
5 and proceedings undertaken thereon and its decision or resolution on each case. The ERC shall
6 make copies of such report available to any interested party upon payment of a charge, which
7 shall reflect the printing costs;
- 8 (e) Publish in newspapers of general circulation all its cases and decisions involving rates;
- 9 (f) Create offices and appoint personnel thereto as may be necessary to efficiently and
10 effectively perform its functions as stipulated in this Act, subject to existing laws, rules and
11 regulations; and
- 12 (g) Exercise such other powers as may be necessary or incidental to attain the objectives of
13 this Act.

14 CHAPTER III

15 POWERS AND RESPONSIBILITIES OF GOVERNMENT AGENCIES

16 **Sec. 7. Powers and Responsibilities of the Department of Environment and Natural**
17 **Resources (DENR).** – In addition to its functions under Executive Order No. 192, otherwise
18 known as the “*Reorganization Act of the Department of Environment and Natural Resources*”,
19 the DENR shall, together with the DOE and the Philippine Coast Guard (PCG) (DOtr),
20 determine and monitor compliance with the environmental standards for the location,
21 construction, improvement, expansion, operation, rehabilitation, repair, maintenance,
22 decommissioning, and abandonment of LNG terminals, natural gas transmission and
23 distribution (ERC) systems, and all related equipment and facilities; *Provided*, That all of the
24 natural gas projects covered in this Act shall not be allowed in the following:

- 25 a) Protected areas categorized and established under the National Integrated Protected
26 Areas System (NIPAS) under R.A. No. 7586, as amended by the Expanded National
27 Integrated Protected Areas System (E-NIPAS) under R.A. No. 11038;
- 28 b) Globally significant marine biodiversity hotspots, not yet included in the such as the
29 Verde Island Passage;
- 30 c) Prime agricultural lands, in addition to lands covered by R.A. No. 6657, or the
31 Comprehensive Agrarian Reform Law of 1988, as amended, including plantations and
32 areas devoted to valuable crops, and strategic agriculture and fisheries development
33 zones and fish refuge and sanctuaries declared as such by the Secretary of the
34 Department of Agriculture (DA);

- 1 d) Tourism development areas, as identified in the National Tourism Development Plan
2 (NTDP); and
3 e) Other critical areas, island ecosystems, and impact areas that the DENR may hereafter
4 identify pursuant to existing laws, rules, and regulations, such as, but not limited to, the
5 NIPAS Act.

6 *Provided*, Further that, within six (6) months from the effectivity of this Act, the DENR shall
7 establish national standards for methane emissions and other pollutants from natural gas
8 industries not otherwise regulated by existing laws (CEED).

9 **Sec. 8. Powers and Responsibilities of the Department of Health (DOH).** – In addition to
10 its functions under Executive Order No. 317, Series of 1941, entitled, “*Organizing the*
11 *Department of Health and Public Welfare*”, as amended, the DOH shall, together with the
12 DOE, determine and monitor compliance with the health standards for the location,
13 construction, improvement, expansion, operation, rehabilitation, repair, maintenance,
14 decommissioning, and abandonment of LNG terminals, natural gas transmission and
15 distribution (ERC) systems, and all related equipment and facilities.

16 **Sec. 9. Powers and Responsibilities of the Department of Transportation (DOTr) through the**
17 **Philippine Coast Guard (PCG).** – In addition to its functions under Republic Act No. 9993,
18 otherwise known as the “Philippine Coast Guard Law of 2009”, the PCG shall, together with
19 the DENR, determine and monitor compliance with the Marine Environmental Protection
20 standards for the location, construction, improvement, expansion, operation, rehabilitation,
21 repair, maintenance, decommissioning, and abandonment of LNG terminals, natural gas
22 transmission systems and all related equipment and facilities (PCG).

23 **Sec. 10. Powers and Responsibilities of the Department of Trade and Industry-Bureau of**
24 **Philippine Standards (DTI-BPS).** – In addition to its functions under Republic Act No. 4109,
25 entitled, “*An Act to Convert the Division of Standards under the Bureau of Commerce into a*
26 *Bureau of Standards, to Provide for the Standardization and/or Inspection of Products and*
27 *Imports of the Philippines and for other Purposes*”, the DTI-BPS shall, together with the DOE,
28 determine, develop, formulate, promulgate, and revise, the Philippine National Standards for
29 natural gas transmission and distribution (ERC) systems, and for natural gas, in its original or
30 liquefied form, LNG terminals, all related equipment and facilities.

31 **SEC. 10. [~~Powers and Responsibilities of~~] Referral to the Philippine Competition**
32 **Commission (PCC).** – [~~All matters concerning abuse of market power, cartelization, and any~~
33 ~~anti-competitive or discriminatory behavior shall be subject to the quasi-judicial powers of the~~
34 ~~PCC as provided for under Republic Act No. 10667, otherwise known as the “Philippine~~
35 ~~Competition Act”.~~] All matters involving or suspected by ERC to involve anti-competitive

1 agreements or abuse of market power shall be referred to the PCC for investigation and
2 adjudication. Where the act or acts to be referred to the PCC are highly technical in nature, the
3 ERC shall assist the PCC in its inquiry and analysis of the facts. (PCC)

4 CHAPTER IV

5 STRUCTURE, OPERATION AND REGULATIONS OF THE 6 DOWNSTREAM NATURAL GAS INDUSTRY

7 SEC. 11. **Structure.** – For purposes of this Act, the structure of the PDNGI value chain shall
8 consist of an LNG terminal and its related facilities, transmission, distribution pipelines and
9 their related facilities, storage and distribution-related facilities, and supply and transport of
10 natural gas.

11 SEC. 12. **Permits.** – The DOE shall have the power to issue, review, suspend and revoke for
12 cause, the permits necessary for the construction, expansion, rehabilitation, modification,
13 operation, and maintenance of any PDNGI facility or activity. Own-use permit for natural gas
14 facilities shall be allowed for the exclusive use of the operator and its affiliates in the operation
15 of its facilities. The holder of an own-use permit shall still comply with the requirements in this
16 Act. [~~Transmission and distribution of natural gas shall be exempted from franchise~~
17 ~~requirement.~~]

18 Own-use permit for transmission and distribution of natural gas shall be exempted from
19 franchise requirement. (ERC)

20 The owner and operator of an LNG terminal shall have the option to apply for both permits
21 and simultaneously perform the functions of an own-use LNG terminal permit holder, pursuant
22 to Section 35 of this Act, and a third-party access (TPA) LNG terminal permit holder pursuant
23 to Section 26 of this Act, to the extent of the capacity allowed by and during the period specified
24 in each type of permit.

25 SEC. [13] 14. **Rate Regulation.** – The rate of charges and fees for the services of transmission
26 or distribution pipelines and their related facilities shall, when they function as public utilities,
27 be subject to the review and approval by the ERC. The rate methodology to be applied by the
28 ERC shall [~~be based on the principle of full recovery of~~] allow the recovery of (CEED) prudent
29 and reasonable costs incurred, including a reasonable return on rate base TO ENABLE THE
30 ENTITY TO OPERATE VIABLY (DOF) ,without granting license to indiscriminately charge
31 any and all types of expenses incurred at exorbitant rates, and at all times protecting the rights
32 of consumers and balancing the interests of all stakeholders (CEED) [~~or such other principles~~
33 ~~that will promote the determination of just and reasonable rates that is consistent with the~~
34 ~~encouragement of private investments and goal of developing a PDNGI infrastructure.~~] (DOF
35 PROPOSED TO DELETE THE PHRASE).

1 SEC. [14] 15. **Compliance with Philippine Laws, Rules, and Regulations.** – Operators or
2 permit holders of PDNGI facilities shall comply with all Philippine laws, rules and regulations
3 implemented by the different agencies of the government.

4 SEC [15] 16. **Compliance with Standards.** – The DOE shall ensure that downstream natural
5 gas products are of high quality, and natural gas facilities provide efficient service, observe
6 stringent safety systems, accord attention to design details and structural integrity and employ
7 operational and maintenance best practices. Regulations shall be consistent with applicable
8 Philippine and internationally-accepted natural gas industry standards.

9 SEC. [16] 17. **Confidential Information.** – The government shall not use confidential or
10 commercially sensitive information for purposes other than those provided herein and shall
11 protect and limit the disclosure of confidential or commercially sensitive information, unless
12 allowed by the operator or when required by laws, rules and regulations.

13 SEC. [17] 18. **Authority to Obtain Information.** – The DOE, ERC and other concerned
14 government agencies may require any downstream natural gas player or permit holder, through
15 a valid order and with due regard to confidential information, proprietary data and trade secrets,
16 to furnish, within a reasonable period specified, all information and documents relating to all
17 such matters as to the permit, rates and operation of business and natural gas facilities, and
18 provide explanations on the information or document submitted, subject to Section 16 of this
19 Act. The failure of a PDNGI participant or permittee to provide the required information or
20 document without valid reason shall be punishable under this Act.

21 SEC. [18] 19. **Supply of Natural Gas.** – Existing laws and rules governing the upstream
22 natural gas sector shall provide the government the option to sell directly or otherwise authorize
23 a service contractor to sell its share of the indigenous production. Accordingly, the Secretary
24 of Energy may, when natural gas supply conditions so require, direct the supply of such share
25 of indigenous production to the downstream natural gas sector.

26 The ~~[operator of an LNG-related facility]~~ operators of LNG-related facilities, and natural
27 gas transmission and distribution pipelines (PNOC) shall likewise ensure the accommodation
28 of both indigenous and imported natural gas supply ~~[of natural gas]~~. ~~[The DOE shall support~~
29 ~~and ensure the implementation of any plan to upgrade an LNG terminal and its ancillary~~
30 ~~facilities into a hub for international trading and trans-shipment]~~ (CEED).

31 Any entity engaged in the distribution of natural gas may engage in the supply of the same.

32 SEC. [19] 20. Decommissioning and (ERC) **Abandonment of Downstream Natural Gas**
33 **Facility.** – No holder of a permit for the construction, installation, operation or maintenance of
34 a downstream natural gas facility shall abandon or withdraw from service any portion of said
35 downstream natural gas facility or project without obtaining prior authorization from the DOE.

1 The DOE shall, in coordination with the DENR, provide the guidelines and regulations for
2 decommissioning and abandonment of natural gas infrastructures and facilities.

3 SEC. [20] 21. **Registration and Reportorial Requirements of Natural Gas Participants,**
4 **Facilities, Import, Export and Supply.** – Holders of permits for the construction, installation,
5 operation or maintenance of a downstream natural gas facility, including importers, exporters
6 and supplier and transporter of natural gas or LNG, shall be registered with the DOE.
7 Appropriate reportorial requirements shall likewise be required for proper supervision and
8 monitoring in accordance with the implementing rules to be issued subsequently.

9 SEC. [21] 22. **Rules of Practice.** – All concerned government agencies shall issue the
10 appropriate rules of procedure to serve as guideline for administrative legal proceedings. The
11 Rules of Court shall apply in a suppletory manner.

12 SEC. [22] 23. **Fees.** – All concerned government agencies shall have the authority to prescribe
13 and collect fees and charges relating to the issuance or review of permits, and the supervision
14 and regulation of the PDNGI.

15 CHAPTER V

16 FRANCHISE REQUIREMENT

17 SEC. [23] 24. **Transmission and Distribution Pipeline and Related Facility as Public**
18 **Utility.** – Operators of transmission and distribution pipelines and their related facilities
19 considered as public utility shall be required to obtain a legislative franchise and a Certificate
20 of Public Convenience and Necessity (CPCN) from the ERC.

21 Operators of virtual pipelines and their related facilities, which are likewise considered as
22 public utilities, shall no longer be required a legislative franchise. However, such operators
23 shall be required to secure a CPCN from the concerned agency having appropriate jurisdiction
24 over them, in accordance with the provisions of Commonwealth Act. No. 146, otherwise
25 known as the “*Public Service Act*”, as amended.

26 SEC. [24] 25. **Philippine Ownership Requirement.** – As required under Article XII, Section
27 11 of the Constitution, no franchise, certificate, or any other form of authorization of a public
28 utility shall be granted except to citizens of the Philippines or to corporations or associations
29 organized under the laws of the Philippines, at least sixty percent (60%) of whose capital is
30 owned by such citizens.

31 SEC. [25] 26. **LNG Terminals Not a Public Utility.** – The operation of an LNG terminal shall
32 not be considered as a public utility operation. Hence, it shall be exempted from securing a
33 legislative franchise and a Certificate of Public Convenience and Necessity.

1 CHAPTER VI

2 THIRD-PARTY ACCESS

3 SEC. [26] 27. **Third-party Access (TPA) Obligation.** – Available and uncommitted excess
4 capacity of an LNG terminal, transmission and distribution pipelines and related facilities shall
5 be made accessible to third-party users. The ERC shall, in coordination with the DOE and in
6 consultation with the PDNGI participants, ensure the full implementation of the TPA and shall
7 issue the TPA Code within one (1) year from the effectivity of this Act.

8 The DOE is hereby authorized to synchronize activities to optimize and stabilize the
9 utilization of existing infrastructure for the extraction, storage, and delivery of natural gas, such
10 as the Malampaya natural gas facilities, which shall be subject to the third-party access
11 provision in order to integrate the same with the PDNGI.

12 SEC. [27] 28. **Available Capacity.** – A TPA shall apply only to the available and uncommitted
13 excess capacity of LNG terminal, transmission or distribution pipelines and their related
14 facilities, but excluding those constructed and operated under a dedicated use agreement or for
15 own use. The operators thereof shall conduct an open and sufficient consultation process with
16 both existing and potential third-party users to discuss the available capacity and other available
17 services.

18 To ensure safe and reliable operation, the operator shall determine, subject to the review and
19 recommendation by the DOE, the available and uncommitted excess capacity of the natural gas
20 facilities offered to third parties. The operator shall likewise allocate such excess capacity based
21 on the following criteria as they pertain to the third-party user:

- 22 (a) Proposed contract price and terms;
- 23 (b) Credit-worthiness;
- 24 (c) Availability of a functioning off-take facility;
- 25 (d) Ability to meet fuel specification parameters of the LNG facility; and
- 26 (e) Other relevant factors that may directly affect the allocation.

27 Non-availment by any third-party user of the excess capacity so allocated and offered shall
28 not be a ground for the denial or cancellation of any permit under this Act.

29 SEC. [28] 29. **Third-party Access (TPA) Principles.** – Adherence to the principles of
30 transparency, fair competition, and safe practices is the key to the beneficial participation of
31 third-party users. In line with this, the following guiding principles shall be observed:

- 32 (a) Competition in the downstream natural gas industry must be encouraged because it
33 promotes efficiency and lowers costs and prices to the benefit of end-users;

- 1 (b) Investments in natural gas supply and infrastructure from both local and foreign sources,
2 which are otherwise prevented by actions of incumbent monopolistic companies shall be
3 earnestly pursued and supported;
- 4 (c) Benefits to be derived from the diverse and sustainable use of natural gas make it an ideal
5 tool of development;
- 6 (d) Participation of third parties in the downstream natural gas industry shall be anchored on
7 safe and measurable standards of service and practice;
- 8 (e) Open and sufficient consultation between permit holders or facility operators on the
9 available and excess capacity of natural gas is essential in the formulation of supply
10 agreements between permit holders or facility operators and third-party users;
- 11 (f) Transparency in business activities shall consistently be observed to spur confidence.
12 Pursuant thereto, permit holders or facility operators shall publish their available and
13 uncommitted excess capacity, access terms, and conditions, and allow the review and
14 inspection of their facilities and records to verify the same.

15 **SEC. [29] 30. Congestion Management.** – Whenever the holder of a capacity is no longer able
16 to use or has not released the capacity without justifiable reason, the permit holder or the
17 operator of the facility shall have the authority to release and market the same. The procedure
18 and criteria of the release shall be part of the TPA Code. The government agency which shall
19 have an oversight function on this matter shall be designated in the TPA Code.

20 **SEC. [30] 31. Approved Access Conditions and TPA Contracts.** – Prior to the conduct of
21 negotiations with third parties, the permit holder or the facility operator shall request the DOE
22 for the review and recommendation of its access conditions in accordance with the TPA Code.
23 All subsequent access contracts shall be reviewed and approved by the DOE.

24 **SEC [34] 32. Infrastructure Development Period.** – To develop the TPA, the TPA Code shall
25 provide an infrastructure development period and the TPA shall become obligatory only
26 against the permit holder or facility operator if it can be demonstrated that there is already
27 sufficient demand necessary to justify the investment and sustain the additional operational
28 requirement. For this purpose, the DOE shall review and attest to the validity of supply and
29 demand outlook for natural gas.

30 **CHAPTER VII**

31 **STANDARDS ON FACILITIES, PRODUCT AND SAFETY PRACTICE**

32 **SEC. [32] 33. Standards on LNG Ships and LNG Facility.** – All PDNGI facilities shall be
33 predicated to be of high quality and efficient service, observe stringent safety systems, accord
34 attention to design details and structural integrity, and employ operational and maintenance
35 best practices. Regulations shall be consistent with both applicable Philippine and

1 internationally-accepted natural gas industry standards. The DOE shall ensure compliance with
2 this requirement.

3 SEC. [33] 34. **Standards on Product Quality.** – The permit holder or operator shall maintain
4 the quality of gas supply to end-users in accordance with the Philippine and internationally
5 accepted standards and ensure that delivery of indigenous or imported LNG comply with the
6 purification requirements to ensure that associated compounds that are unnecessary or
7 damaging to the LNG regasification facility and other related natural gas facilities used for
8 storage, distribution and transportation of natural gas supply are eliminated. The DOE shall
9 ensure compliance with this requirement.

10 SEC. [34] 35. **Standards on Safety Practice.** – The permit holder or operator shall implement
11 an acceptable health, safety, security, and environment management system in accordance with
12 applicable Philippine and internationally accepted standards. The DOE, DENR, DOH and other
13 concerned agencies (ERC) shall ensure compliance with this requirement.

14 **CHAPTER VIII**

15 **RESPONSIBILITIES OF THE PERMIT HOLDER OR OPERATOR**

16 SEC. [35] 36. **Responsibilities of the Permit Holder or Operator.** – A permit holder or
17 operator shall have the following responsibilities:

18 (a) Align all its goals and objectives to the accomplishment of the declared policies of this
19 Act;

20 (b) Be directly responsible for the construction and operation of LNG facilities by providing
21 the necessary services, technology and financing, either by itself or through its duly authorized
22 subcontractors, without entitlement from the Philippine government to any reimbursement of
23 any expense incurred;

24 (c) Comply with applicable Philippine laws and regulations relating to tax, labor and
25 employment, health, safety, indigenous people's rights, environmental protection and
26 ecological preservation;

27 (d) Comply with the regulatory obligations, maintenance of complete records and submission
28 of all reportorial requirements and other documents as may be required by the DOE, ERC and
29 other government agencies pursuant to this Act and its implementing rules;

30 (e) Implement the natural gas project strictly adhering to the scope and limits of the permit and
31 operate in accordance with Philippine and international standards;

32 (f) Allow and facilitate, based on a valid order, the entry to the facility of the examiners of the
33 Bureau of Internal Revenue and the Bureau of Customs and allow them full access to accounts,
34 books, and records for tax and other fiscal purposes;

1 (g) Allow, based on a valid order, the entry of personnel of the DOE, ERC, PIA-HSSE IMT
2 and other government agencies to the facility and grant them full access to operational records
3 for inspection and monitoring activities;

4 (h) Give preference to qualified local talents for hiring and local companies or agencies in
5 entering into subcontracts on projects or services, which are required in the construction or
6 operation of the LNG facility;

7 (i) Hold the DOE, ERC, PIA-HSSE IMT and other government agencies or other affected
8 individuals free from all claims, demands or actions arising out of its failure to comply with
9 laws, regulations, standards, contracts, and permits in connection with accidents, damages, or
10 injuries which are beyond their control; and

11 (j) Observe in the regular operational meeting of the DNG-REC and in the development,
12 issuance and review of plans, protocols, standards and codes applicable to the natural gas
13 project.

14 CHAPTER IX

15 INCENTIVES

16 SEC. [36] 37. **Fiscal Incentives.** – In recognition of the substantial investments needed for the
17 development (BOI), construction of, operation and maintenance of, and conversion to natural
18 gas facilities, all other activities in relation to (DOF) the PDNGI value chain projects, as
19 certified by the DOE, shall may (DOF) be included in the Strategic Investment [Priorities]
20 Priority (BOI) Plan (SIPP), subject to Section 300of the National Internal Revenue Code of
21 1997, as amended (DOF). [~~for the next ten (10) years from the effectivity of this Act.~~] in
22 accordance to a timeline that is aligned to the Philippines’ energy transition and based on the
23 latest climate science (CEED). Entities engaged in said projects that are duly registered by any
24 Investment Promotion Agency (IPA) shall be entitled to [all] the incentives provided (DOF)
25 under Title XIII (Tax Incentives) of the National Internal Revenue Code of 1997, as amended
26 by RA No. 11534, otherwise known as the “*Corporate Recovery and Tax Incentives for*
27 *Enterprises (CREATE) Act*” (BOI).

28 **BOI proposal:** after the phrase “for the next ten (10) years from the effectivity of this Act”,
29 insert the sentence “*Provided, that after the aforementioned period, the inclusion of the PDNGI*
30 *value chain projects in the SIPP shall be reviewed and may be extended by the BOI.*”

31 [~~The sale of natural gas to locators inside the ecozone shall be subject to zero percent (0%)~~
32 ~~Value-Added Tax (VAT), pursuant to the National Internal Revenue Code of 1997, as~~
33 ~~amended.] (DOF PROPOSED TO DELETE THIS PARAGRAPH)~~

34 [~~SEC. 37. **Streamlined Regulatory Process.**—The operation of LNG terminals, natural gas~~
35 ~~transmission systems, natural gas distribution systems, own-use LNG terminals, own-use~~

1 ~~natural gas transmission systems, and own use natural gas distribution systems shall be~~
2 ~~considered as energy projects of national significance (EPNS) whose implementation shall not~~
3 ~~be subject to unnecessary administrative processing delays pursuant to Executive Order No.~~
4 ~~30, series of 2017 and Republic Act No. 11234, otherwise known as the “Energy Virtual One-~~
5 ~~Stop Shop Act” (NEDA). To be considered an EPNS, a project has to be endorsed by the DOE.]~~
6 (CEED PROPOSED TO DELETE THIS SECTION)

7 **SEC. 38. Withdrawal of Exemptions.** – To achieve the declared policies of this Act,
8 particularly in relation to the promotion of fair and non-discriminatory treatment of public and
9 private sector entities in the development of the PDNGI infrastructure, all existing tax
10 exemptions applicable to persons engaged in the transmission or the distribution of natural gas,
11 insofar as such exemptions relate to revenues derived from the transmission or the distribution
12 of natural gas, shall be deemed revoked upon the effectivity of this Act, any law to the contrary
13 notwithstanding.

14 **CHAPTER X**

15 **PROMOTION OF COMPETITION**

16 **SEC. 39. Anti-Competitive Behavior.** – No gas transmission utility, gas distribution utility or
17 supplier, or affiliate thereof, may engage in any anti-competitive behavior or abuse of its
18 ~~[market power, specifically the prohibition against monopolies and combinations in restraint~~
19 ~~of trade under Article 186 of the Revised Penal Code and Chapter III]~~ dominant position by
20 engaging in any conduct or behavior enumerated in Section 14 and Section 15 of the Philippine
21 Competition Act. (PCC)

22 **SEC. 40. Functional and Structural Unbundling.** – All PDNGI participants shall
23 functionally and structurally unbundle their business activities and rates in accordance with the
24 particular sector. The ERC shall, within nine (9) months from the effectivity of this Act,
25 promulgate the unbundling rules and regulations.

26 **SEC. 41. Complaint and Investigation Procedures.** – The ERC shall, within nine (9) months
27 AFTER the effectivity of this Act, promulgate rules and regulations providing for a complaint
28 and investigation procedure that shall, without limitation, provide the party alleged to have
29 engaged in anti-competitive or abusive activities with notice and an opportunity to be heard.

30 **SEC. 42. Affiliated Suppliers.** – In order to prevent anti-competitive conduct, service
31 contractors, gas transmission utilities and gas distribution utilities that own or control affiliates
32 that are suppliers shall conduct their businesses, as follows:

33 (a) No preference shall be given to the affiliate supplier over other persons in contracting,
34 scheduling and balancing of available capacity, as well as curtailment, or the imposition of
35 tariffs;

- 1 (b) Marketing information provided to the affiliate supplier shall be provided to any non-
2 affiliated supplier that is a competitor or potential competitor;
- 3 (c) Employees of the affiliate supplier shall, to the maximum extent possible, function
4 independently in making business decisions; and
- 5 (d) Books of accounts and records of the affiliate supplier shall be maintained separately.

6 CHAPTER XI

7 FINES AND PENALTIES

8 SEC. 43. **Administrative Fines and Penalties.** - The following administrative fines and
9 penalties shall be imposed on any industry participant who violates the provisions of this Act:

10 (a) The permit issued by the DOE under Chapter IV, Section 12 of this Act, may be suspended
11 or revoked and the DOE shall impose upon the operator a fine of Fifty thousand pesos
12 (Php50,000.00) per violation of any provision under Chapter VIII, Section 35 of this Act,
13 without prejudice to other appropriate administrative fines and penalties that other relevant
14 government agencies may impose on the operator: *Provided*, That the schedule of fines
15 provided for in this Section shall be increased by the DOE every five (5) years.

16 (b) The permit issued by the DOE under Chapter IV, Section 12, may be suspended or revoked
17 upon the recommendation by the ERC and the operator may be charged by the ERC a fine of
18 Five hundred thousand pesos (Php500,000.00) per violation of any provision under Chapter
19 IV, Section 13 of this Act. This is without prejudice to other appropriate administrative fines
20 and penalties that other relevant government agencies may impose against the operator.

21 (c) Congress may, upon the recommendation of the DOE, ERC or other government agencies,
22 as the case may be, revoke such franchise or privilege granted to the party found in violation
23 of the provisions of this Act.

24 (d) That the administrative penalty for Section 36 shall be pursuant to Section 29 of the PCA.
25 (PCC)

26 SEC. 44. **Criminal Fines and Penalties.** – Appropriate fines and penalties under existing penal
27 laws shall apply to any criminal violation associated in the implementation of this Act.

28 CHAPTER XII

29 TRANSITORY PROVISIONS

30 SEC. 45. **Existing Systems.** – Natural gas facilities that have been constructed prior to the
31 effectivity of this Act shall continue to be operated under their existing permits and shall
32 comply with additional requirements as may be applicable.

1 Suppliers who have entered into an NGSPA with end-users and have delivered indigenous
2 or imported natural gas prior to the effectivity of this Act shall continue to operate under the
3 said contracts, subject to compliance with the additional requirements in this Act.

4 All midstream natural gas industry participants shall comply with the provisions of this Act
5 within five (5) years from its effectivity: *Provided*, That health, safety, security, environmental,
6 construction, operation and other permits, licenses, certificates, and authorizations issued prior
7 to the effectivity of this Act which are not inconsistent herewith shall remain valid.

8 Natural gas transmission systems existing at the time of the effectivity of this Act shall be
9 allowed to continue pursuant to the terms and conditions indicated in their franchise and until
10 the lapse of the period accorded to them in the franchise. (HB 3015)

11 **SEC. 46. Pending Application.** – All applications on any activity in the natural gas value chain
12 pending before the DOE upon the effectivity hereof shall be covered by this Act.

13 **CHAPTER XIII**

14 **FINAL PROVISIONS**

15 **SEC. 47. Assignment or Transfer of Interest.** – Assignment or transfer of interest of the
16 permit shall be allowed only upon prior written approval by the DOE based on acceptable
17 reasons and compliance by the operator, the assumption by the assignee of all obligations of
18 the former permit holder, and upon meeting the minimum legal, technical, and financial
19 qualifications of the transferee. Furthermore, the PCC shall maintain its jurisdiction over
20 mergers and acquisitions to assess whether or not there is presence of anti-competitive
21 behavior. (PCC)

22 **SEC. 48. Consultation and Arbitration.** – All parties shall make their best efforts to amicably
23 settle any dispute arising from the performance or interpretation of any provision of this Act.

24 ~~SEC. 49. **Natural Gas Oversight Commission.** – Upon the effectivity of this Act, a~~
25 ~~congressional commission, hereinafter referred to as the "Natural Gas Oversight Commission",~~
26 ~~is hereby constituted. The Natural Gas Oversight Commission shall be composed of ten (10)~~
27 ~~members, with the Chairpersons of the Committee on Energy of the Senate and the House of~~
28 ~~Representatives, as Co-Chairpersons, and four (4) additional members from each House, to be~~
29 ~~designated by the Senate President and the Speaker of the House of Representatives,~~
30 ~~respectively. The minority shall be entitled to pro rata representation but shall have at least one~~
31 ~~representative in the Natural Gas Oversight Commission.~~

32 ~~The Natural Gas Oversight Commission shall, in aid of legislation, perform the following~~
33 ~~functions:~~

34 ~~(a) Set the guidelines and overall framework to monitor the proper implementation of this~~
35 ~~Act;~~

1 ~~(b) Look into the appropriateness of creating a single independent regulatory body when~~
2 ~~the conditions prevailing so require;~~

3 ~~(c) Conduct a periodic review of this Act at least once every three (3) years;~~

4 ~~(d) Determine inherent weaknesses in the law and recommend necessary remedial~~
5 ~~administrative or legislative measures;~~

6 ~~(e) Approve the budget for the programs of the natural gas of Oversight Commission and~~
7 ~~all disbursements therefrom;~~

8 ~~(f) Submit periodic reports to the President of the Philippines and Congress; and~~

9 ~~(g) Perform such other powers and functions as may be necessary to attain its objectives.~~

10 ~~To carry out its powers and functions, expenses incurred by the Natural Gas Commission~~
11 ~~during the initial implementation of this Act shall be charged against the current appropriations~~
12 ~~of the Senate and shall thereafter be included in the annual General Appropriations Act.~~

13 ~~The Natural Gas Oversight Commission shall adopt its internal rules of procedure, conduct~~
14 ~~hearings and receive testimonies, reports and technical advice, invite or summon by *subpoena*~~
15 ~~*ad testificandum* any public official, private individual or any other person to testify before it,~~
16 ~~or require any person by *subpoena duces tecum* to produce before it such records, reports,~~
17 ~~documents or other materials as it may require, and generally exercise all the powers necessary~~
18 ~~to attain the purposes for which it is created.~~

19 ~~The Natural Gas Oversight Commission shall be assisted by a secretariat to be composed of~~
20 ~~personnel who may be seconded from the Senate and the House of Representatives and may~~
21 ~~retain consultants. The secretariat shall be headed by an executive director, who possesses a~~
22 ~~sufficient background and competence on policies and issues relating to the downstream~~
23 ~~natural gas industry. **Congressional Oversight.** - The Joint Congressional Energy Commission~~
24 ~~(JCEC) shall exercise oversight powers over the implementation of this Act. The DOE, ERC,~~
25 ~~and other relevant government agencies shall submit annual reports to the JCEC no later than~~
26 ~~the fifteenth day of September, which shall include the latest relevant data, implementation~~
27 ~~review and reports, and policy and regulatory issues. (HB 3015)~~

28 **SEC. 50. Appropriations.** – The amount necessary for the implementation of this Act shall be
29 included in the annual General Appropriations Act.

30 **SEC. 51. Implementing Rules and Regulations.** – The DOE shall, in consultation with the
31 ERC, relevant government agencies such as the DENR, DOH, Department of Transportation
32 (DOTr), Philippine Ports Authority (PPA), DTI and Department of Finance (DOF), the Union
33 of Local Authorities of the Philippines (ULAP) (GPDP), the PCG, the Maritime Industry
34 Authority (MARINA) (DOTr), the PDNGI participants, non-governmental organizations and

1 end-users, promulgate rules and regulations for the effective implementation of this Act within
2 twelve (12) months AFTER the effectivity of this Act.

3 SEC. 52. **Sunset Clause.** -The provisions related to incentives under Chapter IX shall cease to
4 have effect by 2030; *Provided*, That, the DOE shall promulgate rules and regulations for the
5 phase-out of incentives that can be earlier than 2030; *Provided*, Further that, such phase-out of
6 incentives shall be in accordance to a timeline that is aligned to the Philippines' energy
7 transition and based on the latest climate science (CEED).

8 SEC. 53. **Separability Clause.** – If for any reason, any provision of this Act is declared
9 unconstitutional or invalid, the other parts or provisions hereof, which are not affected thereby,
10 shall continue to be in full force and effect.

11 SEC. [53] 54. **Repealing Clause.** – Any law, presidential decree or issuance, executive order,
12 letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby
13 repealed or modified accordingly.

14 SEC. [54] 55. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in
15 the *Official Gazette* or in a newspaper of general circulation.

16 Approved,