AMENDING ENERGY REGULATIONS 1-94, DATED 24 MAY 1994 WHICH PRESCRIBED RULES AND REGULATIONS IMPLEMENTING SECTION 5 (I) OF REPUBLIC ACT NO. 7638, OTHERWISE KNOWN AS THE DEPARTMENT...

Read online (full-text search, related cases, audio case brief): https://batas.org/library/4e151a4e2a69/

WHEREAS, Energy Regulations No. 1-94 issued on 24 May 1994 prescribed the provision of direct benefits to pertinent local government units hosting energy resources and/or energy-generating facilities within their territorial jurisdiction, pursuant to Section 5 (i) of Republic Act No. 7638 (Department of Energy Act of 1992);

WHEREAS, under Section 8 of E.R. 1-94 , an energy-generating facility fired by natural gas shall be exempted from providing the benefits required under the said regulations;

WHEREAS, the Philippine natural gas project is deemed as a high priority project that would need the favorable endorsement and full support from the host local government units (LGUs) thereby ensuring smooth power plant construction and operation;

WHEREAS, the Department of Energy (DOE) deemed it meritorious to extend corresponding benefits to host LGUs of power plants fired by natural gas, including liquiefied natural gas (LNG), but is precluded from authorizing the same under the said regulations;

WHEREAS, considering that natural gas and LNG have been recognized as environment-friendly fuel that will have very minimal adverse environmental impact on communities affected, thereby making unnecessary the provision of benefits for reforestation, watershed management, health and/or environment enhancement;

WHEREFORE, premises considered, the DOE hereby adopts and promulgates the following amendments to E.R. 1-94;

1. Amendment to Section 7.d of E.R. 1-94 to provide corresponding set of benefits exclusively for natural gas, LNG -and LPG-fired power plants, by deleting natural gas resource development projects under sub-section (1) and adding sub-section (3), to read as follows:

> "Section 7.d Oil/Petroleum/Natural Gas.
>
> (1) Indigenous Petroleum
>
> xxx
>
> (3) Natural Gas - and LNG-fired Power Plants
>
> a. Electrification benefits under Section
>
> b. Reduction in the cost of electricity under Section 6 (a) (3);
>
> c. Skills development under Section 6 (b);
>
> d. Preference in employment under Section 6 (c);

e. Procurement of local supplies and services under Section 6 (d); and

f. Development and livelihood fund equivalent to one-half of one-centavo (PO.005) per kilowatt-hour, which amount shall be applied in an equitable preferential manner in accordance with the proportion prescribed under Section 6 (e) (2)."

2. Amendment to Section 8.a of E.R. 1-94 by deleting subsection (5) to exclude natural gas from the exemptions, to read as follows:

"Section 8. Exemptions.

a. Each of the following shall be exempted from providing the benefits required under these rules and regulations:

1. a small-scale coal mining (SSCM) permittee;

2. an energy-generating facility with an aggregate installed or operating generation capacity that is less than ten (10) megawatts (MW);

3. an energy-generating facility located in a special economic zone which sells or exports less than ten (10) megawatts (MW) of its surplus power output outside of the special economic zones where it is located;

4. an energy-generating facility for the exclusive internal use of the owner (e.g., integrated to the industrial plant); and

5. an on-going energy-generating project with a negotiated benefits package which is better than or at least substantially equal to the benefits provided hereunder, as determined and certified by the DOE."

This Amendment shall take effect upon the lapse of fifteen (15) days from complete publication in one (1) newspaper of general circulation in the Philippines.

Adopted: 31 July 1996

(SGD.) FRANCISCO L. VIRAY
Secretary

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.