

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES	
RECEIVED	
DATE:	03 AUG 2016
TIME:	11:00am
BY:	<i>[Signature]</i>
REGISTRATION UNIT BILLS AND INDEX SERVICE	

HOUSE BILL NO. **2388**

**AN ACT INSTITUTIONALIZING ENERGY EFFICIENCY AND
CONSERVATION, PROMOTION OF RENEWABLE ENERGY FOR
ENERGY SECURITY, PROVIDING GUIDELINES AND GRANTING
INCENTIVES TO ENERGY EFFICIENCY AND CONSERVATION
PROJECTS, AND FOR OTHER PURPOSES**

Introduced by **REP. HENEDINA RAZON-ABAD**

EXPLANATORY NOTE

Three major realities confront the energy sector at present – steadily increasing demand for energy, high-energy costs, and vulnerability to climate change. In the same breadth, unmet energy demand adversely impacts on quality of life and the country's competitiveness. Clearly, the government is faced with the important task of ensuring coherence and balance of the country's energy, environment, climate and economic policies, strategies and plans to effectively address these problems in a strategic manner. In many economies, energy efficiency initiatives are the linchpin of national policies to reduce energy consumption, improve energy security and tackle environmental issues such as climate change. Energy efficiency is said to be the fastest, most cost-effective means to create energy supply buffers and to reduce greenhouse gas emissions. The cheapest, cleanest and most reliable electricity, after all, is the electricity we do not use. The gains from consuming energy more efficiently are multiple. It helps people and business save money. It reduces the emission of harmful greenhouse gases; the need to build new power plants and the consumption of energy generally. From a utility perspective, energy efficiency improves the reliability of our electric grid and lowers cost for infrastructure maintenance. In addition, more energy is available for other uses, and the economy benefits from decreased energy expenditures, increased competitiveness, higher incomes and revenues, improved trade balances and increased national energy security. Best of all, saving energy is generally far cheaper than producing or importing new energy

supplies.

The Philippines has its own set of energy efficiency initiatives. Most recently, the Department of Energy produced its masterplan – Energy Efficiency Roadmap for the Philippines for 2014-2030 – to improve energy efficiency in the country, with specific targets for energy-intensive sectors such as transportation, industry, commercial and residential sectors. DOE sets the following aspirations: “40% reduction in energy intensity by 2030; decrease of energy consumption by 1.6 % per year against 2010 baseline; and annual savings of approximately 10,665 KTOE (kilotons of oil equivalent), which is one-third of current demand”.¹

Lack of a regulatory framework as well as the absence of an appropriate institutional mechanism inhibits wider and effective implementation of energy efficiency measures. Quality testing infrastructure to effectively implement standards and labeling programs must also be put in place. Sustained awareness raising of the public and local capacity development for energy managers in factories and companies are also critical in achieving energy efficiency targets.

While the Philippines has established a great deal of programs to advance energy efficiency, these activities have not been sustained due to the lack of a regulatory and institutional framework that can only be established by law.

In view of this, the deliberation and early passage of this bill is urgently sought.



HENEDINA RAZON-ABAD

¹ Energy Efficiency Roadmap for the Philippines 2014-2030 Milestones and Challenges

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEETH CONGRESS
First Regular Session

HOUSE BILL NO. 2388

Introduced by **REP. HENEDINA RAZON- ABAD**

**AN ACT INSTITUTIONALIZING ENERGY EFFICIENCY AND
CONSERVATION, PROMOTION OF RENEWABLE ENERGY FOR
ENERGY SECURITY, PROVIDING GUIDELINES AND GRANTING
INCENTIVES TO ENERGY EFFICIENCY AND CONSERVATION
PROJECTS, AND FOR OTHER PURPOSES**

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

CHAPTER I
GENERAL PROVISIONS

SEC. 1. Short Title. This Act shall be known as the "Energy Efficiency and Conservation Act of 2016."

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

- a) Institutionalize energy efficiency and conservation as a national way of life geared towards the efficient and judicious utilization of energy by formulating, developing, and implementing energy efficiency and conservation plans, programs and systems;
- b) Secure sufficiency of energy supply while protecting the environment in support of the economic and social development goals of the country;
- c) Promote and encourage the development and utilization of household renewable energy technologies and systems to complement the energy efficiency and conservation efforts;
- d) Ensure market-driven approach to energy efficiency, conservation, sufficiency and sustainability in the country.

SEC. 3. Scope. This Act shall provide the framework for institutionalizing fundamental policies and standards on energy efficiency and conservation, increasing the utilization of household renewable energy technologies, and defining the responsibilities, authorities and accountabilities of various government agencies and private entities.

SEC. 4. Coverage. This Act shall cover the target sectors of household, transport, buildings, industrial/manufacturing, and other electric power consumers in the economy, whether private or public, by virtue of the impact these can create on energy efficiency and conservation efforts.

SEC. 5. Definition of Terms. For purposes of this Act, the following terms shall, unless the context indicates otherwise, have the following meanings:

- a) ***Certified Energy Conservation Officer (CECO)*** refers to a Professional who becomes eligible for this certification after demonstrating high levels of experience, competence, proficiency and ethical fitness in the energy management profession. A CECO shall be required for Type 1 Designated Establishments. Type 1 Establishments shall designate an Energy Manager who shall be a registered engineer;
- b) ***Certified Energy Manager (CEM)*** refers to a Professional who becomes eligible for this certification after demonstrating expertise in several areas ranging from standards, air quality, energy audits, lighting, procurement and even financing. It recognizes individuals who have demonstrated high levels of experience, competence, proficiency and ethical fitness in the energy management profession. A person appointed under Type 2 Designated Sector shall be responsible in the supervision and maintenance of the facilities for the proper management of energy consumption and perform other functions deemed necessary for the efficient and judicious utilization of energy. Type 2 Establishments shall employ full-time Certified Energy Manager (CEM);
- c) ***Demand Side Management*** refers to the reduction of energy consumption through effective load management resulting to the decrease of power demand and the migration of power demand from peak to off-peak periods or such measures undertaken by distribution utilities to encourage end-users to properly manage their loads to achieve efficiency in the utilization of fixed infrastructures in the systems;

- d) **Designated Establishment (Type 1/Type 2 Designated Establishment)** refers to a private or public entity in the commercial, industrial, transport, power, agriculture and public works sectors consuming energy and/or having other index equivalent to such energy for the previous year beyond the level specified by the Department of Energy (DOE). Such entities shall be categorized as Type 1 or Type 2 Designated Establishment, according to the annual energy consumption, as follows:
- i. Type 1 equal to or more than 7.2 terajoules (TJ) or 172.0 tons of oil equivalent (TOE) or 2,000,000 kilowatt-hours (kWh) but not more than 28.8 TJ or 687.9 TOE or 8,000,000 kWh;
 - ii. Type 2 more than 28.8 TJ or 687.9 TOE or 8,000,000 kWh;
- e) **Distribution Utility** refers to any electric cooperative, private corporation, government-owned utility or existing local government unit (LGU) which has an exclusive franchise to operate a distribution system in accordance with Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001;"
- f) **Energy** refers to all types of energy available commercially including natural gas (liquid natural gas and liquid oil gas), all heating and cooling fuels (including district heating and district cooling), coal, transport fuels, and renewable energy sources;
- g) **Energy Audit** refers to the evaluation of energy consumption and review of current energy cost to determine appropriate intervention measures and efficiency projects in which energy can be judiciously and efficiently used to achieve savings. The three types of energy audit are walk-through audit, preliminary audit and detailed audit;
- h) **Energy Conservation** refers to the reduction of losses and wastage in various energy stages from energy production to energy consumption through the adoption of appropriate measures that are technologically feasible, economically sound and environmentally and socially affordable;
- i) **Energy Consumption Report** refers to the periodic report submitted to the DOE by Type 2 Designated Establishment and Transmission Utility with regard to the EE&C plan. The items to be reported in the Energy Conservation Report shall be specified by the DOE;

- j) ***Energy Consumption Report*** refers to the periodic report submitted to the DOE by Type 1 or Type 2 Designated Establishments and Transmission Utility containing their energy consumption, energy loss and other status of energy use. The items to be reported in the Energy Consumption Report shall be specified by the DOE;
- k) ***Energy Conservation Officer (ECO)*** refers to a person appointed by Type 1 Designated Establishments responsible in the supervision and maintenance of the facilities for the proper management of energy consumption and such other functions deemed necessary for the efficient and judicious utilization of energy prescribed under this Act;
- l) ***Energy Efficiency*** refers to the way of managing and restraining the growth in energy consumption resulting in the delivery of more services for the same energy input or the same services for less energy input;
- m) ***Energy Efficiency and Conservation Office (EECO)*** refers to the office to be established in local government units headed by the Energy Efficiency Conservation and Sufficiency Officer, who shall be responsible for overseeing the implementation of the program at the local government level;
- n) ***Energy Labeling*** refers to the program of the government which requires manufacturers to attach an energy label on their products to inform consumers on the energy performance and efficiency of the product;
- o) ***Energy Management*** refers to the process of designing and implementing an optimal program of purchasing, generating and consuming various types of energy based on the end-user's overall short-term and long-term management program, with due consideration of factors including costs, availability, economics and environmental impact;
- p) ***Energy Sufficiency*** refers to a condition where the quantity of the supply of energy is enough or sufficient to meet the demand, including the required reserves;
- q) ***Energy Supplier*** refers to individuals and/or entities providing energy to energy users;
- r) ***Energy Users and/or Energy Using Entities*** refer to all energy demand sectors such as commercial, industrial, transport, agricultural, household,

and government buildings, and the power generation, transmission, and distribution industry sectors;

- s) **Green Building** means an integrated, or whole building, approach to the planning, design, construction, and operation of buildings and their surrounding landscapes that helps mitigate the environmental, economic, and social impacts of buildings so they are energy efficient, sustainable, secure and safe, cost-effective, accessible, functional, productive, and aesthetic;
- t) **Minimum Energy Performance Standard** refers to a performance standard which prescribes a minimum level of energy performance that, appliances, lighting, electrical equipment and machinery must meet or exceed before they can be offered for sale or used for residential, commercial, transport and industrial purposes;
- u) **National Energy Efficiency and Conservation Coordinating Officer** refers to the person appointed by the leagues of the local government units from among the local government's Energy Efficiency Conservation and Sufficiency Officers (EECSOs) who shall be responsible for integrating local energy efficiency, conservation and sufficiency programs;
- v) **Office of Sustainable Energy Efficiency and Conservation (OSEEC)** refers to the office to be established in local government units headed by the Energy Efficiency Conservation and Sufficiency Officer, which shall be responsible for overseeing the implementation of the program at the local government level;
- w) **Road Transport Vehicle** refers to a brand new or used transport vehicles regardless of size or weight classification;
- x) **Specific Energy Consumption (SEC)** refers to the energy consumption volume required per unit, such as production volume, sales amount, transportation ton-kilometer, transportation kilometer, floor space, and such other indicators relevant to energy consumption;
- y) **Systems Loss** refers to the difference between the electric energy purchased and generated and the electric energy sold by a Distribution Utility. For purposes of this Act, the term Systems Loss shall consist of the following components: Technical Systems Loss, refers to the loss inherent in the

physical delivery of electric energy, including conductor loss, transformer core loss, and technical errors in meters; Non-Technical Systems Loss, refers to energy not related to the physical characteristics of the electrical system, such as pilferage, tampering of meters, and erroneous meter reading; and Administrative Systems Loss, refers to the energy required for the operation of the distribution system and any unbilled energy for community-related activities;

- z) **Transmission Utility** refers to any private corporation or government-owned utility, which has an exclusive franchise to operate the system of wires extending from power generating units to the delivery points through the grid. A transmission utility shall have the obligation to provide transmission services to any end-user within its franchise area; and
- aa) **Waste Heat Recovery** refers to the extraction of heat from fluids (i.e., gases or liquids) produced in a thermodynamic or separation process, that would otherwise be vented to the atmosphere, reinjected to the ground or disposed of by through other means, for generation of electricity, cooling, heating or other usable forms of energy.

CHAPTER 2

ENERGY PERFORMANCE STANDARDS AND LABELING REQUIREMENTS

SEC. 6. Minimum Energy Performance Standards (MEPS). Manufacturers, importers, distributors, and retailers of appliances, lighting products, transport vehicles and other equipment shall implement the following measures:

- a) Comply with the minimum energy performance standards and energy label requirements set by the Department of Energy that is consistent with internationally accepted standards;
- b) Subject their energy consuming products to energy performance testing.

SEC. 7. High Energy Consuming Equipment and Devices. All manufacturers, importers, suppliers, distributors and retailers engaged in selling the designated products shall provide information such as energy performance and other information that shall contribute to the general consumers' awareness, knowledge, and actions. These

product details shall be specified under the Implementing Rules and Regulations (IRR) of this Act.

SEC. 8. Energy Labeling Requirements for Products and Equipment. Importers or manufacturers of all energy-consuming products shall implement the following measures:

- a) Display energy labels providing information, such as level of energy consumption and efficiency rating, to inform consumers of their energy efficiency performance;
- b) Provide information that contributes to general consumers' awareness, knowledge and actions toward energy efficiency and conservation; and
- c) Submit product samples to DOE for verification testing.

SEC. 9. Fuel Economy Performance for Road Transport Vehicles

To ensure fuel efficiency for transport, vehicle manufacturers, importers, and dealers shall comply with fuel economy performance labeling requirements set by the DOE. The vehicle manufacturers, importers, and dealers shall provide technical information on fuel economy rating of the engine that will allow the consumer to make an informed decision in choosing the vehicles for their use.

SEC. 10. Energy Performance in Buildings. For new and retrofit buildings for commercial and institutional use (hospitals, educational facilities, exhibition centers, government offices and military facilities), LGUs shall implement the following measures in accordance with building permit issuances:

- a) New building construction shall comply with the minimum requirements as contained in the DOE issued Guidelines on Energy Conserving Design on buildings;
- b) Retrofit of buildings shall also comply with the minimum requirements as contained in the DOE issued Guidelines on Energy Conserving Design on buildings.

CHAPTER 3

OBLIGATIONS OF DESIGNATED ESTABLISHMENTS

This Chapter shall cover designated establishments in the building, industrial/manufacturing, transport and power sectors.

SEC. 11. Type 1 Designated Establishment. Establishments with an annual energy consumption equal to or more than 7.2. terajoules (TJ) or 172.0 tons of oil equivalent (TOE) or 2,000,000 kilowatt-hours (KWH) but not more than 28.8 TJ or 687.9 TOE or 8,000,000 kwh shall be categorized as Type 1 Designated Establishments and shall include the following sectors: (a) building sector such as commercial, hotel, hospital, educational institutions, office and government buildings; (b) retail, such as food and beverage services and other retail companies; (c) industrial/manufacturing (medium size industrial/manufacturing plant) such as cement, mining, food and beverages, electronic/semi-conductor, steel and metal fabrication, plastic, glass, vehicle, chemical, appliance, and others; (d) transport sector (fleet) such as railway, road transport, sea freight and passenger vessel, air transport cargo and passenger vessel; and (e) power sectors such as power generation; transmission and distribution utilities; (f) agriculture sector, such as primary agriculture, irrigation, agriculture processing; and (g) public works, such as water, waste water, solid waste treatment, road energy performance, road operators, and other urban and municipal services.

SEC. 12. Obligations of Type 1 Designated Establishments. Type 1 Designated Establishments shall have the following obligations:

- a) Employ one (1) Certified Energy Conservation Officer (CECO) and shall, within ten (10) working days, duly notify the DOE of the appointment and separation from the service of the said CECO. The CECO shall manage the energy consumption of facilities, equipment and devices, the implementation and improvement of energy efficiency measures, the conduct of regular energy audit, energy monitoring and control, and the preparation of periodic energy consumption and energy conservation program reports of the establishment;
- b) Keep records on monthly energy consumption data and other energy-related data;
- c) Set up annual targets and plans for the implementation of energy efficiency and conservation projects;
- d) Submit a Semi-Annual Energy Consumption Report (SAECR) and an Annual Energy Conservation Program Report (AECR) to the DOE not later than 30 days after the reference period;
- e) Conduct periodic Energy Audit once every three (3) years through either an in-house energy auditor or by engaging private energy service company or

energy provider, and submit Energy Audit Report to the DOE upon completion of the energy audit;

- f) Improve average Specific Energy Consumption (SEC) in accordance with the annual reduction targets to be established by the DOE in the Implementing Rules and Regulations;
- g) Set up programs to develop and design measures that promote energy efficiency conservation and sufficiency that may include, but not limited to, installation of renewable energy technologies.

SEC. 13. Type 2 Designated Establishment. Energy intensive establishments with an annual energy consumption equal of more than 28.8 terajoules (TJ) or 687.9 tons of oil equivalent (TOE) or 8,000,000 kilowatt-hours (kWH) are hereby categorized as Type 2 Designated Establishments and shall include the following sectors: (a) building sector such as commercial, hotel, hospital, educational institutions, office and government buildings; (b) retail, such as food and beverage services and retail companies; (c) industrial/manufacturing such as cement, mining, food and beverages, electronic/semi-conductor, steel and metal, chemical, vehicle, appliance, glass, plastic, and others; (d) transport such as railway, road transport fleet, sea freight and passenger vessel, air transport cargo and passenger vessel; and (e) power sectors such as power generating plants, and distribution and transmission utilities.

SEC. 14. Obligations of Type 2 Designated Establishments. Type 2 Designated Establishments shall have the following obligations:

- a) Employ one (1) Certified Energy Manager (CEM), and shall, within ten (10) working days, duly notify the DOE of the appointment or separation of the said CEM. The CEM shall manage the energy consumption of facilities, equipment and devices, the implementation and improvement of energy efficiency measures, the conduct of regular energy audit, energy monitoring and control, and the preparation of periodic energy consumption and energy conservation program reports of the establishment;
- b) Keep records on monthly energy consumption data and other energy-related data;
- c) Set up annual targets, plans and methods of measurement and verification for the implementation of energy efficiency and conservation projects;

- d) Submit a Semi-Annual Energy Consumption Report and an Annual Energy Conservation Program Report to the DOE not later than 30 days after the reference period;
- e) Conduct periodic Energy Audit once every three (3) years through either an in-house energy auditor or by engaging private energy service company or energy provider, and submit Energy Audit Report to the DOE upon completion of the energy audit;
- f) Improve average Specific Energy Consumption (SEC) in accordance with the annual reduction targets to be established by the DOE in the Implementing Rules and Regulations of this Act; and
- g) Set up programs to develop and design measures that promote energy efficiency conservation and sufficiency that may include but not limited to installation of renewable energy technologies.

SEC. 15. Other Establishments. Establishments with an annual energy consumption equal to or more than 3.6 terajoules (TJ) or 86.0 tons of oil equivalent (TOE) or 1,000,000 kilowatt-hour (kWH) but less than 7.2 TJ or 172 TOE or 2,000,000 kilowatt-hour (kWH) shall be required to submit an annual energy consumption report to DOE. These establishments may submit themselves to external audit or quality control assessment on a voluntary basis to assist them in their energy planning and management.

CHAPTER 4

INCENTIVES FOR ENERGY EFFICIENCY AND CONSERVATION

SEC. 16. Fiscal Incentives.

A. Investors, developers, energy service companies and users of energy-efficient technologies and practices from procurement to manufacturing to supply, as duly certified by the DOE, shall be entitled to the following incentives:

- a) *Tax and Duty Exemption on Imported Capital Equipment.* - Within the first five (5) years upon the issuance of a certification by the DOE, the importation of technologically energy-efficient machinery, equipment, vehicles, spare parts and materials shall be exempt to the extent of one hundred percent (100%) of the customs duties and national internal revenue tax payable thereon: *Provided, That the machinery, equipment, vehicles and spare parts are directly*

and actually needed and used exclusively by the users of energy-efficient technologies and practices.

- b) *Tax Credit on Domestic Capital Equipment.* – A tax credit on the machinery, equipment and spare parts purchased from a domestic manufacturer equivalent to one hundred percent (100%) of the value of the national internal revenue taxes and customs duties that would have been waived had such machinery, equipment, vehicles, and spare parts been imported: *Provided,* That the said machinery, equipment, vehicles and spare parts are directly and actually needed and used exclusively by the users of energy-efficient technologies and practices.
- c) *Income Tax Holiday* – Exemption from income taxes levied by the National Government in accordance with the limitations and requirements of the Omnibus Investment Code.
- d) The Department of Finance and concerned agencies shall draw-up appropriate mechanisms for the grant of subsidies, establishment of guarantee funds and/or tax credit equivalent to one hundred percent (100%) of the customs duties and national internal revenues on the purchase and installation of energy-efficient machinery, equipment and spare parts, whether for individual or industrial use.

B. Green Building. – New green buildings and energy efficient retrofit of existing buildings shall be entitled to tax deductions equivalent to the difference in constructing or retrofitting more expensive energy efficient buildings vis-à-vis standard or regular buildings, provided such deduction shall be amortized over five (5) years, provided further that this incentive shall be available only once per building and its energy efficiency is subject to monitoring and verification by the DOE.

Government shall comply with green building requirements in constructing or retrofitting buildings as contained in the DOE-issued Guidelines on Energy Conserving Design on buildings consistent with international standards.

SEC. 17. Non-Fiscal Incentives. Establishments that will implement or are implementing energy-efficient projects shall be entitled to the following non-fiscal incentives:

- a) Provision of awards and recognition for energy efficiency and conservation best practices and successful energy-efficient projects and products.

- b) Provision of technical assistance from government agencies in the development and promotion of energy-efficient technologies.

SEC. 18. Financial Assistance. Government Financial Institutions (GFIs), such as the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), and other financial institutions shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, provide concessional financial packages for the development, utilization, and commercialization of Renewable Energy and Energy Efficiency projects as duly recommended and endorsed by the DOE.

CHAPTER 5

ROLE OF GOVERNMENT

SEC. 19. Role of the Department of Energy as the Lead agency– The DOE shall be the lead government agency responsible for the planning, formulation, development, implementation, enforcement and monitoring of energy management policies and other related sustainable energy efficiency and conservation plans and programs. In addition to its mandate, DOE shall have the following powers and functions:

- a) Consult and coordinate with other government agencies, local government units, and the private sector or create an inter-agency committee, as may be deemed necessary, for the effective implementation of sustainable energy efficiency and conservation policies of the government;
- b) Initiate and maintain collaborative efforts with the business sector, particularly the commercial, industrial, transport and power sectors, to broaden and enhance their efficient and judicious utilization of energy;
- c) Adopt energy performance standards, in coordination with the BPS-DTI, consistent with those recognized internationally for machinery and equipment, appliances, vehicles and other fuel-using combustion equipment and electric devices, among others;
- d) Require manufacturers, importers, and dealers to comply with the MEPS and to display the Energy Label showing the energy requirement and consumption efficiency of products on their packaging, and on the products themselves;

- e) Ensure compliance with applicable and existing benchmarks for energy performance in buildings and industries, in consultation with the appropriate agencies and organizations;
- f) Develop and maintain a centralized, comprehensive and unified database on energy consumption, energy efficient technologies, renewable energy technologies, and other critical and relevant information to ensure efficient evaluation, analysis and dissemination of data and information for planning and policy-making;

SEC. 20. Role of other government agencies – In general, all other government agencies shall promote the judicious and efficient use of energy through their different mandates. In addition, the following agencies shall have the functions and/or roles in the promotion of sustainable energy efficiency and conservation:

- a) **Climate Change Commission (CCC).** The CCC shall collaborate with the DOE and other government agencies in establishing targets, monitoring and recording all greenhouse gas emission reduction resulting from energy efficiency and conservation projects;
- b) **Commission on Higher Education (CHED) and State Universities and Colleges** – The CHED and SUCs shall integrate into the existing curricula appropriate courses related to energy management.
- c) **Department of Education (DEPED).** The DepEd shall promote energy efficiency and conservation practices through its K-12 career advocacy program.
- d) **Department of Finance (DOF).** The DOF and concerned agencies shall draw-up appropriate mechanisms for the grant of subsidies and/or tax credit equivalent to one hundred percent (100%) of the customs duties and national internal revenue taxes on the purchase and installation of RE machinery and equipment, whether for individual and industrial use.
- e) **Department of Interior and Local Government (DILG).** The DILG, in coordination with the DOE, shall be responsible in ensuring compliance of all LGUs in implementing energy efficiency and conservation through adoption of appropriate Energy Management System.
- f) **Department of Public Works and Highway (DPWH).** The DPWH, in coordination with the DOE, shall be responsible in ensuring the

implementation of *Guidelines on Energy Efficiency and Conserving Design in Building* as part of the National Building Code.

- g) **Department of Trade and Industry (DTI).** The DTI through the Bureau of Product Standards (BPS), in consultation with the DOE, shall require manufacturers, importers and dealers to comply with the MEPS and to display the Energy Label on the packaging or the products themselves of every designated machinery and equipment, appliances, vehicles and other fuel-using combustion equipment and electric devices to show their energy requirement and consumption efficiency.
- h) **Department of Science and Technology (DOST).** The DOST shall be responsible in carrying-out strategic research and development program aimed at facilitating the development of energy efficient technologies and the promotion thereof.
- i) **Department of Transportation and Communication (DOTC).** The DOTC, in coordination with DOE, shall be responsible in ensuring compliance requirement of vehicle manufacturers and importers on MEPS for road transport vehicles and to display the energy consumption label in coordination with the vehicle manufacturers, road transport industry associations, public transport group and Non-Government Organizations. It shall also be responsible in ensuring compliance and enforcement of energy management system in the sea and air transport sectors.
- j) **Government Financial Institutions (GFIs).** The GFIs shall set aside lending funds for Energy Efficiency and Conservation Projects at concessional rates of interest to attract private sector investments.
- k) **Philippine Statistics Authority (PSA).** The PSA, in coordination with the DOE, shall institutionalize household energy consumption survey (HECS) and survey of energy consumption of establishment (SECE) to establish energy consumption database.
- l) **Technical Educational Skills Development Authority (TESDA).** - TESDA, in collaboration with CHED, DOST and other similar training and service institutions shall develop a program/system for the Certification of Energy Managers and Conservation Officers. It shall also ensure the promotion of

energy efficiency practices through its Technical Vocational Education and Training (TVET).

CHAPTER 6

ROLE OF LOCAL GOVERNMENT UNITS AND LEAGUES OF LOCAL GOVERNMENT UNITS AND ELECTIVE OFFICIALS

SEC. 21. Support and Coordination of Local Government Units and Leagues of Local Government Units and Elective Officials. – In support of the government’s sustainable energy efficiency and conservation program, local government units shall integrate a local energy efficiency program, to be headed by the Municipal/City Planning and Development Officer, into their local development plan based on the guidelines to be provided by the Implementing Rules and Regulations of this law. The Energy Efficiency and Conservation (EE&C) plan shall include the reporting of an Annual Energy Consumption by SMEs as part of the requirements for business permit renewal.

The LGU shall monitor and report on the status of energy efficiency programs and projects to the DILG and the DOE.

CHAPTER 7

CERTIFICATION FOR PROFESSIONAL COMPETENCY AND ACCREDITATION FOR PROFESSIONAL SERVICES

SEC. 22. Certified Energy Manager (CEM) and Certified Energy Conservation Officer (CECO). There shall be an approved learning curriculum for achievement of required competencies and skills, and a competency-based system for the assessment and certification of Energy Managers and Energy Conservation Officers to be developed through the collaboration of the Department of Energy, the Commission on Higher Education (CHED), and TESDA.

The certification system shall be based on an approved scope of practice and a set of competency standards, with clear assessment process and tools, and certification for the determined competency, and undertaken by the prescribed governance structure.

Similarly, competent Non-Profit Organizations and other private training institutions duly accredited by the DOE and CHED, shall offer professional certificate programs for Energy Manager and Energy Conservation Officer.

CHAPTER 8

FINAL PROVISIONS

SEC 23. Creation of additional plantilla positions for the Energy Efficiency and Conservation Division of the DOE. To ensure the effective implementation, enforcement and monitoring of the provisions of this Act, additional positions under the DOE-EECD shall be created.

SEC. 24. Prohibited Acts. The following acts shall not be allowed:

- a) Failure to comply with the MEPS and the Energy Label showing the energy requirement and consumption efficiency of products on their packaging, and on the products themselves;
- b) Failure and/or willful refusal to submit periodic reportorial compliance reports to the DOE/LGU;
- c) Failure and/or willful refusal to appoint/designate a Certified Energy Conservation Officer/Certified Energy Manager;
- d) Failure to comply with the Order under Section 15 hereof;
- e) Willful refusal to an on-site inspection; and
- f) Failure to submit energy audit report;

SEC. 25. Recommendation, Disclosure, and Order. – Upon determination that an establishment has committed any of the prohibited acts under Section 23 of this Act, the DOE may consider the following measures prior to the imposition of the appropriate sanctions/penalties for such violations:

- a) Provide citations in cases where the DOE finds materially insufficient reports, false returns, and non-submission of notifications or reports;
- b) Disclose the name of the establishment in cases where the establishment that has received a citation under the preceding paragraph, failed to remedy such citation by the DOE; and
- c) Issue an Order to the establishment to take measures in cases where the said establishment failed to follow or comply with the citation or recommendations issued by the DOE. Failure on the part of the establishment to comply with such order shall be ground for imposition of penalties in accordance with Section 26 of this Act.

SEC. 26. Visitorial Power. For the effective enforcement of this Act, the DOE shall have the authority to visit Designated Establishments to inspect energy-consuming facilities, evaluate energy management procedures, identify areas for efficiency improvement, and verify energy monitoring reports and other documents related to the compliance requirements of this Act.

SEC. 27. Penalties. The responsible officers and employees together with any establishment or organization, who willfully commit any of the prohibited acts enumerated under Section 23 of this Act, shall, upon conviction, be liable for penalties that will be defined in the IRR.

SEC. 28. Contingency Powers. Upon the recommendation of the Secretary of Energy, in times of critical energy supply disruptions or imminent danger thereof, the President may direct the adoption of stringent energy conservation measures, including but not limited to power/fuel allocations or rationing; limiting the operating hours of commercial, industrial, and similar establishments; rationalizing the use of government and private motor vehicles; staggering or limiting working hours in both public and private sectors; and, the temporary closure of energy intensive industries when deemed necessary.

SEC. 29. Appropriations. For the implementation of this Act, such sums as may be necessary shall be taken from the current fiscal year appropriation of the DOE and the DOST and from such other funds that may be made available. Thereafter, the amount needed for the implementation of the act shall be included in the annual General Appropriations Act.

SEC. 30. Implementing Rules and Regulations. The DOE shall, in consultation with concerned government agencies and/or entities, local government units, industrial and commercial sectors, and other relevant stakeholders, promulgate the Implementing Rules and Regulations (IRR) within six (6) months from the effectivity of this Act.

SEC. 31. Separability Clause. If for any reason, any section or provision of this Act is declared unconstitutional or invalid, such parts not affected thereby shall remain in full force and effect.

SEC. 32. Repeating Clause. All laws, presidential decrees, executive orders, issuances rules and regulations, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 33. Effectivity. This Act shall take effect within fifteen (15) days after its publication in at least two (2) newspapers of general circulation after its approval.

Approved,