



HOUSE OF REPRESENTATIVES

H. No. 8629

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AN ACT INSTITUTIONALIZING AN ENERGY EFFICIENCY AND CONSERVATION PROGRAM

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

1

CHAPTER I

2

GENERAL PROVISIONS

3

SECTION 1. *Short Title.* — This Act shall be known as the

4

“Energy Efficiency and Conservation Act”.

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

3 (a) Institutionalize energy efficiency and conservation as a
4 national way of life geared towards the efficient and judicious
5 utilization of energy by formulating, developing, and implementing
6 energy efficiency and conservation plans and programs to secure
7 sufficiency and stability of energy supply in the country to cushion
8 the impact of high prices of imported fuels to local markets and
9 protect the environment in support of the economic and social
10 development goals of the country;

11 (b) Promote and encourage the development and utilization of
12 efficient renewable energy technologies and systems to ensure
13 optimal use and sustainability of the country's energy resources;

14 (c) Reinforce related laws and other statutory provisions for a
15 comprehensive approach to energy efficiency, conservation,
16 sufficiency, and sustainability in the country; and

17 (d) Ensure market-driven approach to energy efficiency,
18 conservation, sufficiency, and sustainability in the country.

19 SEC. 3. *Scope.* – This Act shall establish a framework for
20 introducing and institutionalizing fundamental policies on energy
21 efficiency and conservation, including the promotion of efficient and
22 judicious utilization of energy, increase in the utilization of energy
23 efficiency and renewable energy technologies, and the delineation of
24 responsibilities among various government agencies and private
25 entities.

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

1 (a) *Energy* refers to all types of energy available commercially
2 including natural gas (liquid natural gas and liquid oil gas), all
3 heating and cooling fuels (including district heating and district
4 cooling), coal, transport fuels, and renewable energy sources;

5 (b) *Energy audit* refers to the evaluation of energy
6 consumption and review of current energy cost to determine
7 appropriate intervention measures and efficiency projects in which
8 energy can be judiciously and efficiently used to achieve savings.
9 The three (3) types of energy audit are walk-through audit,
10 preliminary audit, and detailed audit;

11 (c) *Energy conservation* refers to the reduction of losses and
12 wastage in various energy stages from energy production to energy
13 consumption through the adoption of appropriate measures that
14 are technologically feasible, economically sound, environmentally
15 acceptable, and socially affordable;

16 (d) *Energy Conservation Officer (ECO)* refers to a person
17 appointed by Type I designated establishments and held responsible
18 for the supervision and maintenance of the facilities for the proper
19 management of energy consumption and such other functions
20 deemed necessary for the efficient and judicious utilization of
21 energy prescribed under this Act;

22 (e) *Energy efficiency* refers to the way of managing and
23 restraining the growth in energy consumption resulting in the
24 delivery of more services for the same energy input or the same
25 services for less energy input;

26 (f) *Energy efficiency projects* refer to projects designed to
27 reduce energy consumption and costs by any improvement, repair,

1 alteration or betterment of any building or facility; or any
2 equipment, fixture or furnishing to be added to or used in any
3 building or facility or vehicle, including the manufacturing and
4 provision of services related thereto, which must be cost-effective or
5 shall lead to lower energy or utility costs in connection with the
6 operation or maintenance of the same;

7 (g) *Energy labeling* refers to the government's Philippine
8 Energy Standards and Labeling Program (PESLP), which requires
9 manufacturers to attach an energy label on their products to inform
10 consumers on the energy performance and efficiency of the product;

11 (h) *Energy management* refers to the process of designing and
12 implementing an optimal program of purchasing, generating, and
13 consuming various types of energy based on the end user's overall
14 short-term and long-term management program, with due
15 consideration of factors including costs, availability, economics, and
16 environmental impact;

17 (i) *Energy Service Companies* or *ESCOs* refer to commercial
18 or nonprofit businesses providing a broad range of energy solutions
19 including designs and implementation of energy-saving projects,
20 retrofitting, energy conservation, energy infrastructure outsourcing,
21 power generation and energy supply, and risk management;

22 (j) *Government energy efficiency projects* refer to multi-year
23 contractual energy efficiency projects carried out by all government
24 departments, government-owned and -controlled corporations, state
25 colleges and universities, hospitals, and other instrumentalities of
26 the government which have been evaluated and endorsed by the
27 Department of Energy (DOE) for approval by the Inter-Agency

1 Energy Efficiency and Conservation Committee (IAEECC) created
2 under this Act;

3 (k) *Minimum Energy Performance Standards (MEPS)* refer to
4 a performance standard which prescribes a minimum level of
5 energy performance that appliances, lighting, electrical equipment,
6 and machinery must meet or exceed before they can be imported
7 and offered for sale or used for residential, commercial, transport,
8 and industrial purposes;

9 (l) *Road transport vehicle* refers to transport vehicle,
10 regardless of size or weight classification;

11 (m) *Specific Energy Consumption (SEC)* refers to the energy
12 consumption volume required per unit, such as production
13 volume, sales amount, transportation ton-kilometer, transportation
14 kilometer, floor space, and such other indicators relevant to energy
15 consumption;

16 (n) *Transmission utility* refers to any private corporation or
17 government-owned utility, which has an exclusive franchise to
18 operate the system of wires extending from power generating units
19 to the delivery points through the grid, which shall have the
20 obligation to provide transmission services to any end user within
21 its franchise area; and

22 (o) *Waste heat recovery* refers to the extraction of heat from
23 fluids such as gases or liquids through a thermodynamic or
24 separation process that would otherwise be vented to the
25 atmosphere, reinjected to the ground or disposed of through other
26 means, for the generation of electricity, cooling, heating or for other
27 useful purposes.

1 combustion equipment and electric devices, among others, in
2 consultation with the Department of Trade and Industry – Bureau
3 of Philippine Standards (DTI-BPS);

4 (e) Require manufacturers, importers and dealers to comply
5 with the MEPS and to display on the packaging and on the products
6 themselves, the energy label showing the energy requirement and
7 consumption efficiency of such products;

8 (f) Enforce and ensure compliance with prescribed ratings for
9 energy performance in buildings and industries, in coordination
10 with pertinent agencies and government units;

11 (g) Develop and maintain a centralized, comprehensive, and
12 unified National Energy Efficiency and Conservation Database
13 (NEECD) on energy consumption, on the application and use of
14 energy efficient technologies, renewable energy technologies, and
15 other critical and relevant information to ensure efficient
16 evaluation, analysis, and dissemination of data and information for
17 planning and policymaking purposes;

18 (h) Periodically review and reclassify designated
19 establishments under this Act or its implementing rules and
20 regulations;

21 (i) Support local government units (LGUs) on matters related
22 to energy efficiency planning and promotion, and implementation of
23 various energy efficiency programs at the local level and on the
24 preparation of their Local Energy Efficiency and Conservation Plans
25 (LEECP) including providing them with templates for reporting its
26 implementation;

1 (j) Develop and undertake a national awareness and
2 advocacy campaign on energy efficiency and conservation in
3 partnership with business, academe, nongovernment organizations,
4 and other sectors;

5 (k) Provide annual reports to both Houses of Congress,
6 indicating, among others, the status of implementation at the
7 national and local levels, cost effectiveness outcomes, energy and
8 environmental impacts resulting from the implementation of this
9 Act;

10 (l) Impose and collect reasonable fees for the accreditation
11 and certification services provided in this Act, which shall be
12 directly remitted to the National Treasury; and

13 (m) Perform such other powers and functions as may be
14 necessary to attain the objectives of this Act.

15 SEC. 7. *Role of Other Government Agencies.* – In general, all
16 government agencies shall ensure the efficient use of energy in their
17 respective offices, facilities, transportation units, and in the
18 discharge of their functions.

19 In addition, the following agencies shall exercise the
20 responsibilities and functions as enumerated hereunder:

21 (a) *Board of Investments (BOI).* – The BOI shall include
22 energy efficiency and conservation projects in the annual
23 investment priorities plan entitled to incentives provided under
24 Executive Order No. 226 or the “Omnibus Investments Code” of
25 1987 and such other incentives as may be authorized by law.

26 (b) *Climate Change Commission (CCC).* – The CCC shall
27 collaborate with the DOE and other government agencies in

1 establishing targets, monitoring and recording all greenhouse gas
2 emission reductions resulting from energy efficiency and
3 conservation projects.

4 (c) *Commission on Audit (COA)*. – The COA shall recognize
5 government energy efficiency projects as defined under this Act
6 consistent with government accounting and auditing rules.

7 (d) *Commission on Higher Education (CHED)*. – The CHED
8 shall integrate into the existing engineering curricula appropriate
9 courses related to energy management. It shall also promote energy
10 efficiency measures in higher education institutions, including state
11 universities and colleges (SUCs).

12 (e) *Department of Budget and Management (DBM)*. – The
13 DBM shall give due preference to funding government energy
14 efficiency projects as defined under this Act.

15 (f) *Department of Education (DepEd)*. – The DepEd shall
16 promote energy efficiency and conservation practices through its
17 K-12 career advocacy program.

18 (g) *Department of Environment and Natural Resources*
19 *(DENR)*. – The DENR shall, in coordination with the DOE and
20 the Department of the Interior and Local Government (DILG),
21 establish guidelines for the accurate characterization of wastes
22 arising from energy-consuming devices, equipment, fixtures, and
23 other relevant items, including end-of-life of vehicles and its
24 component parts. Such guidelines shall include appropriate
25 containment features and management of hazardous wastes,
26 consistent with Republic Act No. 6969, otherwise known as
27 the “Toxic Substances and Hazardous and Nuclear Wastes Control

1 Act of 1990". Devices and equipment that cause mercury pollution
2 that could migrate to groundwater and contaminate the air shall
3 be disposed of in accordance with Republic Act No. 6969, other
4 existing environmental laws, rules and regulations.

5 (h) *Department of Finance (DOF)*. – The DOF shall, in
6 coordination with the DOE and other concerned agencies, draw up
7 appropriate mechanisms to implement the fiscal incentives under
8 this Act.

9 (i) *Department of the Interior and Local Government (DILG)*.
10 – The DILG shall, in coordination with the DOE, be responsible
11 for ensuring the compliance of all LGUs with the provisions of
12 this Act.

13 (j) *Department of Public Works and Highways (DPWH)*. –
14 The DPWH shall, in coordination with the DOE, be responsible for
15 ensuring the implementation of Guidelines on Energy Conserving
16 Designs of Buildings as an integral part of the National Building
17 Code, Roadway Lighting Guidelines, and such other guidelines as
18 may be issued by the DOE.

19 (k) *Department of Science and Technology (DOST)*. – The
20 DOST shall, in coordination with the DOE, be responsible for
21 carrying out strategic research and development programs aimed at
22 facilitating the development of energy efficient technologies and the
23 promotion thereof.

24 (l) *Department of Transportation (DOTr)*. – The DOTr shall,
25 in coordination with the DOE and the DENR, be responsible in
26 ensuring compliance of vehicle owners, manufacturers, and
27 importers with the MEPS for road transport vehicles consistent

1 with the specifications for all types of fuels prescribed under
2 Section 26 of Republic Act No. 8749, otherwise known as the
3 "Philippine Clean Air Act of 1999", and to display the energy
4 consumption label in coordination with the vehicle manufacturers,
5 road transport industry associations, public transport groups, and
6 nongovernment organizations. It shall assist the DOE in the
7 enforcement of and compliance with measures under this Act and
8 its implementing rules and regulations relative to energy
9 consumption of the sea and air transport sectors.

10 (m) *Department of Trade and Industry (DTI)*. - The DTI
11 through the BPS shall, in consultation with the DOE, require
12 manufacturers, importers, and dealers to comply with the MEPS
13 and to display the energy label showing the energy requirement and
14 consumption efficiency of such products on the packaging and on the
15 products themselves.

16 (n) *Government Financial Institutions (GFIs)*. - The GFIs
17 shall set aside funds for energy efficiency and conservation projects
18 and offer loans at concessional rates of interest to attract private
19 sector investments.

20 (o) *Insurance Commission (IC)*. - The IC shall, in
21 collaboration with the GFIs, ensure the availability of compatible
22 guarantee products that would mitigate the credit risks associated
23 with energy efficiency investments in small and medium enterprises
24 and performance risks related to the energy efficiency solutions
25 developed by ESCOs, engineering companies and other technology
26 providers.

1 (p) *Philippine Statistics Authority (PSA)*. – The PSA shall, in
2 coordination with the DOE, institutionalize the Household Energy
3 Consumption Survey (HECS) and Survey of Energy Consumption of
4 Establishments (SECE) and assist the DOE in the establishment of
5 the NEECD under this Act.

6 (q) *Technical Education and Skills Development Authority*
7 (*TESDA*). – The TESDA shall, in collaboration with the DOE,
8 CHED, DOST, and other similar training and service institutions,
9 develop training regulations which cover a program or system for
10 the certification of energy managers and conservation officers. It
11 shall also ensure the promotion of energy efficiency practices
12 through its Technical-Vocational Education and Training (TVET)
13 programs. It shall implement skills training, assessment and
14 certification programs for mechanics, technicians, installers, and
15 operators of renewable energy systems.

16 SEC. 8. *Creation of the Inter-Agency Energy Efficiency and*
17 *Conservation Committee (IAEECC)*. – The IAEECC is hereby
18 created to evaluate and approve government energy efficiency
19 projects provided under this Act and provide strategic direction in
20 the implementation of the Government Energy Management
21 Program (GEMP).

22 The IAEECC shall be composed of the Secretaries of the DOE,
23 DTI, DPWH, DOTr, DOF and the National Economic and
24 Development Authority (NEDA). The DOE Secretary shall serve as
25 the IAEECC Chairman.

26 Secretariat support for the IAEECC shall be provided by the
27 Energy Utilization Management Bureau (EUMB) of the DOE.

CHAPTER III

ROLE OF LOCAL GOVERNMENT UNITS

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3 SEC. 9. *Role of Local Government Units and Leagues of Local*
4 *Government Units and Elective Officials.* – The LGUs, through
5 their planning and development offices and units and with the
6 assistance of the DOE shall, in coordination with the DILG, develop,
7 incorporate and implement the NEECP in their respective
8 jurisdictions.

9 The LGUs shall assist the DOE in monitoring compliance
10 with the obligations of designated establishments under this Act for
11 input into the NEECP.

CHAPTER IV

CERTIFICATION FOR PROFESSIONAL COMPETENCY AND

ACCREDITATION FOR PROFESSIONAL SERVICES

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13 SEC. 10. *Certification of Energy Conservation Officers and*
14 *Energy Managers.* – A system for the certification and assessment
15 of energy conservation officers shall be established toward raising
16 the professional standards of those engaged in energy management.
17 Only those who have demonstrated high levels of experience,
18 competence, proficiency, and ethical fitness in the energy
19 management profession, based on a certification system to be
20 developed by the DOE and the TESDA for the purpose, shall qualify
21 for certification as Certified Energy Efficiency and Conservation
22 Officer (CEEEO). The certification system shall be based on an
23 approved scope of practice and a set of competency standards, with
24 clear assessment process and certification for the determined
25 competency, undertaken by the prescribed governance structure
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1 and quality assurance system, and aligned with the Philippine
2 Qualifications Framework (PQF) and applicable international
3 standards.

4 Moreover, the TESDA shall register TVET programs and
5 conduct training assessment and certification of workers for
6 qualification levels one (1) to five (5) of the PQF. Likewise,
7 nonprofit organizations and other private training institutions shall
8 register their TVET programs to the TESDA to conduct training
9 assessment and certification of works. Guidelines for this purpose
10 shall be developed by the TESDA in coordination with the DOE.

11 In like manner, the CHED and the DOE shall establish a
12 system for the assessment and certification of registered engineers
13 so that only those who have demonstrated high levels of experience,
14 competence, proficiency and ethical fitness in the energy
15 management profession shall qualify for certification as Certified
16 Energy Manager (CEM).

17 The CHED shall, in coordination with the DOE and the
18 TESDA, also develop undergraduate, graduate and professional
19 certificate programs on energy management to ensure the
20 availability of competencies and skills required to promote and
21 achieve the country's sustainable energy goals.

22 Additionally, the CHED shall offer professional certificate
23 programs for energy managers. Guidelines for this purpose shall be
24 developed by the CHED in coordination with the DOE.

25 SEC. 11. *Accreditation of Energy Service Company (ESCO).* –
26 The DOE shall strengthen the existing ESCO Accreditation System
27 to provide the market with a source of technically and financially

1 capable entities that can assist in the delivery of energy efficiency-
2 related projects.

3 ESCOs applying for accreditation must demonstrate their
4 technical and managerial competence to design and implement
5 energy efficiency projects, including:

- 6 (a) Energy audits;
- 7 (b) Design engineering;
- 8 (c) Providing or arranging project financing;
- 9 (d) Construction management;
- 10 (e) Operations and maintenance of energy efficiency
11 technologies; and
- 12 (f) Verifying energy savings.

13 The development of this service sector shall help stimulate
14 economic development through the enhancement of cost
15 competitiveness and promote Philippine energy security. The
16 services of ESCOs shall cover multiple technologies including
17 lighting; motors and drives; heating, ventilation and air
18 conditioning systems; building improvements; waste heat recovery
19 for generation of electricity, cooling heating or other usable forms of
20 energy; and control systems.

21 CHAPTER V

22 ENERGY PERFORMANCE AND LABELING REQUIREMENTS

23 SEC. 12. *Minimum Energy Performance (MEP)*. – To ensure
24 the appropriate and effective implementation of energy efficiency
25 and conservation, all manufacturers, importers, distributors, and
26 retailers of energy-consuming products, including electrical
27 appliances, lighting products, transport vehicles, machinery, and

1 other equipment, shall subject their energy-consuming products to
2 energy performance testing in accordance with the guidelines to be
3 issued by the DOE.

4 The manufacturers, importers, distributors, and retailers of
5 such products shall be required to submit the product information to
6 the DOE.

7 The MEP shall be developed by the DOE, in consultation with
8 relevant stakeholders involved in the manufacturing, sale, and use
9 of the products covered; and guided by cost-benefit analysis to
10 determine the impacts associated with improvements in energy
11 efficiency. The cost-benefit analysis shall be completed by the DOE
12 with the assistance of the NEDA within one (1) year upon the
13 effectivity of this Act. Thereafter, the adoption and enforcement of
14 MEP shall form part of the NEECP.

15 SEC. 13. *Energy Information on Equipment and Devices and*
16 *Product Testing.* – To ensure the appropriate and effective
17 implementation of energy efficiency and conservation, all
18 manufacturers, importers, suppliers, distributors, and retailers
19 engaged in selling such products shall provide information on
20 energy performance and other information that shall assist
21 consumers to make informed decisions on the use of such products.
22 The nature and scope of such information shall be specified in the
23 implementing rules and regulations of this Act.

24 The manufacturers, importers, suppliers, distributors, and
25 retailers shall ensure the integrity of the information submitted and
26 make the same available to the public as part of the energy labeling
27 requirement under this Act. The nature and scope of such

1 information shall be specified in the implementing rules and
2 regulations of this Act.

3 The DOE shall regularly select energy-consuming products
4 and their models for examination, testing, and verification under
5 this Act. As such, the DOE may require any manufacturer of
6 energy-consuming products, or dealers who import such products, to
7 make available, at such place as the DOE may specify, such number
8 of those products as the DOE considers as reasonably necessary for
9 the examination and testing required under this section.

10 The DOE is hereby authorized to dismantle and examine the
11 energy-consuming product referred herein, to determine the energy
12 efficiency of products. Such products shall, upon completion of the
13 testing, be returned by the DOE to the source, unless there is
14 reason to seize the products tested, if the DOE believes on
15 reasonable grounds that any provision of this Act is violated or the
16 product may serve as evidence in respect of the violation.

17 For this purpose, the DOE shall develop and make available
18 to manufacturers, importers, suppliers, and the general public the
19 calculation method of energy efficiency rating covering the
20 appliances covered by this requirement. This method shall be
21 contained in the Code of Practice on Energy Labeling of Products
22 and shall be updated by the DOE as often as necessary to ensure
23 the integrity of the labeling system as provided herein.

24 The DOE may, subject to existing procurement laws and
25 regulations, procure the services of or enter into an agreement or
26 other arrangement with a qualified supplier or entity to carry out

1 the examination and testing of energy-consuming products, subject
2 to the Code provided in this section.

3 SEC. 14. *Energy Labeling for Product and Equipment.* - To
4 ensure the appropriate and effective implementation of this Act,
5 manufacturers, dealers, importers, and suppliers shall ensure that
6 energy labels are displayed on all energy-consuming products,
7 devices, and equipment. The specifications of the energy labels
8 shall be prescribed by the DOE.

9 The DOE shall also develop and enforce a Mandatory Energy
10 Efficiency Rating and Labeling (MEERL) for products it may
11 designate to assist consumers in choosing energy efficient
12 appliances and raise public awareness on energy saving. Such
13 energy efficiency labels shall, among others, reflect the energy
14 efficiency rating of the product, the monthly energy consumption
15 based on a specified hour of daily usage, the brand name and
16 product model, and the year the energy rating was issued.

17 The initial phase of implementation of the MEERL shall cover
18 room air conditioners, refrigerating appliances, and television
19 appliances, among others.

20 SEC. 15. *Fuel Economy for Transport.* - To ensure fuel
21 efficiency for transport, vehicle manufacturers, importers and
22 dealers shall comply with fuel economy performance labeling
23 requirements set by the DOE with the assistance of the DOTr. The
24 vehicle manufacturers, importers and dealers shall provide
25 technical information on fuel economy rating of the engine that
26 shall allow the consumer to make an informed decision in choosing
27 the vehicles for their use.

1 Initially, designated establishments shall be categorized as
2 follows:

3 (a) Type 1 - establishments whose annual energy
4 consumption is 500,000 to 4,000,000 kilowatt-hours.

5 (b) Type 2 - establishments whose annual energy
6 consumption is more than 4,000,000 kilowatt-hours.

7 All other establishments shall submit an annual energy
8 consumption report to the DOE and integrate an energy
9 management system policy into their business operations based on
10 or similar to the framework of ISO 50001 or such other standards
11 identified by the DOE. These establishments may, on a voluntary
12 basis, submit themselves to external audit or quality control
13 assessment to assist them in their energy planning and
14 management.

15 SEC. 18. *Obligations of Designated Establishments.* - The
16 obligations of designated establishments shall be as follows:

17 (a) For both Type 1 and Type 2:

18 (1) Keep records on monthly energy consumption data and
19 other energy-related data;

20 (2) Set up annual targets, plans and methods of
21 measurements and verification for the implementation of energy
22 efficiency and conservation projects;

23 (3) Submit a Semi-Annual Energy Consumption Report
24 (SAECCR) and Annual Energy Conservation Report (AECCR) to the
25 DOE, within thirty (30) days after the reference period;

26 (4) Conduct a periodic energy audit, once every three (3)
27 years, by engaging either an in-house energy auditor or an

1 accredited private energy service company or energy provider and
2 submit an Energy Audit Report (EAR) to the DOE upon completion
3 of the energy audit;

4 (5) Improve average Specific Energy Consumption (SEC) in
5 accordance with the annual reduction targets to be established by
6 the DOE in the implementing rules and regulations of this Act; and

7 (6) Set up programs to develop and design measures that
8 promote energy efficiency, conservation and sufficiency that may
9 include installation of renewable energy technologies.

10 (b) For Type 1, employ or assign a Chief Energy Conservation
11 Officer (CECO) and duly notify the DOE on the appointment,
12 assignment or separation of said CECO within ten (10) working
13 days from the effectivity of such personnel action.

14 (c) For Type 2, employ or assign a CEM and duly notify the
15 DOE on the appointment, assignment or separation of said CEM
16 within ten (10) working days from the effectivity of such personnel
17 action.

18 CHAPTER VII

19 DEMAND SIDE MANAGEMENT AND ENERGY CONSERVATION AND 20 ENERGY EFFICIENCY PROGRAMS

21 SEC. 19. *Demand Side Management (DSM)*. – The DOE
22 shall, with the assistance of the Energy Regulatory Commission
23 (ERC), pursue a DSM program for the electric power industry for
24 the reduction of energy consumption through effective load
25 management resulting to the decrease of power demand and the
26 migration of power demand from peak to off-peak periods or such
27 other measures undertaken by distribution utilities to encourage

1 end users to properly manage their loads to achieve efficiency in the
2 utilization of fixed infrastructures in the systems.

3 CHAPTER VIII

4 INCENTIVES

5 SEC. 20. *Fiscal Incentives.* – During the first fifteen (15)
6 years from the approval of this Act, energy efficient projects as
7 defined herein shall be included in the Strategic Investments
8 Priorities Plan (SIPP) of the government. The application by a
9 project proponent for registration of an energy efficiency project
10 shall be duly acted upon by the BOI on the basis of the endorsement
11 issued by the DOE. A duly certified energy efficiency project shall
12 also be entitled to receive a certificate of entitlement from the Fiscal
13 Incentives Review Board. A proponent of an energy efficiency
14 project, whether Filipino or foreign-owned, as duly endorsed by the
15 DOE, shall be entitled to the following incentives:

16 (a) *Income Tax Holiday* – For the first six (6) years of its
17 commercial operations, the duly certified energy efficiency project
18 proponent shall be exempt from income taxes levied by the national
19 government.

20 Additional investments in the project shall be entitled to
21 additional income tax exemption on the income attributable to the
22 investment: *Provided*, That the development of new energy
23 efficiency projects shall be treated as a new investment and shall
24 therefore be entitled to a fresh package of incentives: *Provided*,
25 *further*, That the entitlement period for additional investments
26 shall not be more than three (3) times the period of the initial
27 availment of the Income Tax Holiday.

1 (b) Zero Percent Value-Added Tax Rate – The selling price,
2 remuneration or consideration received by a project proponent for
3 an energy efficiency project shall be subject to zero percent (0%)
4 value-added tax (VAT), pursuant to the National Internal Revenue
5 Code (NIRC) of 1997, as amended.

6 All energy efficiency project proponents shall be entitled to
7 zero-rated value-added tax on its purchases of local supply of goods,
8 properties and services needed for the development, construction
9 and installation of its plant facilities.

10 This provision shall also apply to the whole process of
11 developing energy efficiency projects including the services
12 performed by subcontractors and contractors.

13 (c) Tax and Duty Exemption on Imported Capital Equipment.
14 – Within the first ten (10) years upon the issuance of an
15 endorsement by the DOE, the importation of technologically
16 energy-efficient machinery, equipment, vehicles, spare parts, and
17 materials shall be to the extent of one hundred percent (100%) of
18 the customs duties and national internal revenue tax payable
19 thereon: *Provided*, That the machinery, equipment, vehicles, spare
20 parts, and materials are directly and actually needed and used
21 exclusively for energy efficiency projects.

22 The fiscal incentives shall be available to all proponents of
23 duly certified energy efficiency projects for a period of fifteen (15)
24 years from the approval of this Act. At the end of such period, the
25 Fiscal Incentives Review Board may suspend or cancel the grant of
26 such incentives upon a joint recommendation by the DOE and the

1 BOI that the incentives are no longer required in order to ensure
2 the financial viability of energy efficiency investments.

3 SEC. 21. *Non-Fiscal Incentives.* – Establishments that are
4 implementing or will implement energy-efficient projects shall be
5 entitled to the following:

6 (a) Provision of awards and recognition for energy efficiency
7 and conservation best practices, innovation and successful
8 energy-efficient projects and products; and

9 (b) Provision of technical assistance from government
10 agencies in the development and promotion of energy efficient
11 technologies.

12 CHAPTER IX

13 ENFORCEMENT

14 SEC. 22. *Visitorial Powers and On-Site Inspections.* – For
15 the effective enforcement of this Act, the DOE shall have the
16 authority to visit designated establishments to inspect energy
17 consuming facilities, evaluate energy management systems and
18 procedures, identify areas for efficiency improvement, and verify
19 energy monitoring reports and other documents related to the
20 compliance requirements of this Act within business hours.

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

1 (a) After show cause, provide citations in cases where the
2 DOE finds materially insufficient reports, false returns, and
3 nonsubmission of notifications or reports;

4 (b) Disclose the name of the establishment in cases where the
5 designated establishment that has received a citation under the
6 preceding paragraph, failed to remedy such citation; and

7 (c) Issue an order to the designated establishment to take
8 measures in cases where the said designated establishment failed to
9 follow or comply with the citation or recommendations issued by the
10 DOE.

11 Failure on the part of the establishment to comply with such
12 order shall be a valid ground for the imposition of administrative
13 penalties under this Act.

14 SEC. 24. *Prohibited Acts.* - The following acts shall be
15 prohibited:

16 (a) Failure to comply with the energy label showing the
17 energy requirement and consumption efficiency of products on their
18 packaging, and on the products themselves;

19 (b) Failure to provide accurate information, or the provision
20 of false or misleading energy information on those required for
21 submission under this Act;

22 (c) Selling, leasing or importation of energy consuming
23 product unless the product complies with the MEP as duly enforced
24 under this Act;

25 (d) Removal, defacing, or altering any energy label on the
26 energy consuming product before the said product is sold to the first
27 retail purchaser or leased to the first lessee;

1 (e) Failure or willful refusal to submit any of the reports
2 required under this Act;

3 (f) Failure or willful refusal to appoint or designate a CECCO
4 or CEM;

5 (g) Willful refusal to submit to an on-site inspection;

6 (h) Failure to comply with issued orders of the DOE in the
7 discharge of its enforcement powers under this Act; and

8 (i) Violation of any implementing rules and regulations,
9 including its guidelines provided under this Act.

10 SEC. 25. *Fines and Penalties.* – The DOE is empowered to
11 impose fines and penalties for any violation of the provisions of this
12 Act, its implementing rules and regulations and other issuances
13 relative to this Act ranging from a minimum of Ten thousand pesos
14 (P10,000.00) to a maximum of One million pesos (P1,000,000.00).
15 This is without prejudice to the penalties provided for under
16 existing environmental regulations prescribed by the DTI-BPS or
17 any other government agency.

18 The responsible officers and employees of any establishment
19 or organization, who willfully commit any of the prohibited acts
20 under this Act shall, upon conviction, be imposed with the penalties
21 provided herein.

22 Any person, who willfully aids or abets the commission of the
23 said prohibited acts or who causes the commission of any such act
24 by another shall be liable in the same manner as the principal.

25 In case of association, partnership or corporation, the penalty
26 shall be imposed on the partner, president, chief operating officer,

1 chief executive officer, directors or officers responsible for the
2 violation.

3 The commission of any of the prohibited acts provided under
4 this Act, upon conviction thereof, shall suffer the penalty of
5 imprisonment for a period of one (1) year to five (5) years, or a fine
6 ranging from a minimum of One hundred thousand pesos
7 (P100,000.00) to One hundred million pesos (P100,000,000.00) or
8 twice the amount of damages caused or costs avoided for
9 noncompliance, whichever is higher, or both, upon the discretion of
10 the court.

11 CHAPTER X

12 MISCELLANEOUS PROVISIONS

13 SEC. 26. *Waste Management Collection Recycling and*
14 *Disposal.* – A strategy shall be developed for wastes covered by this
15 Act to ensure that the same are managed and disposed of properly
16 to minimize their environmental impact. Recovery and recycling
17 components of such devices, equipment, fixtures and other relevant
18 items shall form part of the strategies.

19 The waste management collection, recycling and disposal
20 strategy that shall be developed under this Act shall be submitted to
21 the National Waste Management Commission in accordance with
22 Republic Act No. 9003, otherwise known as the “Ecological Solid
23 Waste Management Act of 2000”, for coordination and
24 implementation with pertinent government agencies and units.

25 The waste management collection, recycling and disposal
26 strategy including its guidelines shall be developed within six (6)
27 months from the approval of this Act.

1 SEC. 27. *Institutional Strengthening.* – For the effective
2 implementation of the provisions of this Act, the EUMB is hereby
3 reorganized to be comprised of the following units and functions:

4 (a) The Alternative Fuels and Energy Technology Division
5 (AFETD), which shall exercise the following functions:

6 (1) Formulate policies, plans and programs related to
7 alternative fuels and new and advanced energy technologies
8 (NAETs) development towards a socially and environmentally
9 responsive and effective utilization of energy resources;

10 (2) Develop and manage the alternative fuels and energy
11 technology program; and

12 (3) Conduct studies, develops and implements policies, plans
13 and programs for the effective utilization of energy resources.

14 (b) The Energy Efficiency and Conservation Division (EECD),
15 which shall exercise the following functions:

16 (1) Evaluate energy efficiency and conservation technologies;

17 (2) Promote the increased utilization of energy efficient
18 products;

19 (3) Develop a comprehensive information, education and
20 communication strategy for public awareness on energy efficient
21 programs and products;

22 (4) Provide support to the DOE Secretary for inter-agency
23 committees which may be created to support any of the objectives of
24 this Act, as well as congressional hearings;

25 (5) Pursue the energy efficiency and conservation agenda in
26 the international arena through sourcing of grants or loans; and

1 (6) Prepare all reports for submission to other government
2 agencies as required by law.

3 (c) The Energy Efficiency and Conservation Enforcement
4 Division (EECED), which shall exercise the following functions:

5 (1) Enforce the programs under this Act or its implementing
6 rules and regulations such as the MEP, and energy labeling;

7 (2) Establish a database of information on compliance of each
8 sector in relation to the national energy efficiency and conservation
9 program;

10 (3) Support ESCOs and other related initiatives through
11 policies, plans and programs;

12 (4) Formulate, develop and update the MEP and the energy
13 labeling programs;

14 (5) Enhance, expand and develop the government energy
15 management program;

16 (6) Coordinate with LGUs to ensure consistency with the
17 national energy efficiency and conservation program; and

18 (7) Provide technical assistance to other government agencies
19 and LGUs.

20 Likewise, there shall be created in the DOE field offices an
21 EECD, which shall have the function of implementing policies,
22 plans, and programs relative to energy efficiency and conservation
23 within their respective areas of operation.

24 Such additional personnel as may be necessary to effectively
25 implement this Act shall be added to the following offices to support
26 the EUMB in the discharge of its functions under this Act: (a) Legal

1 Services; (b) Financial Services; and (c) Energy Research and
2 Testing Laboratory Services.

3 In accordance with existing civil service rules and regulations,
4 the revised organizational structure and staffing complement of the
5 EUMB and the supporting offices submitted by the DOE Secretary,
6 shall take effect upon approval by the DBM.

7 CHAPTER XI

8 FINAL PROVISIONS

9 SEC. 28. *Appropriations.* – Such sums as may be necessary
10 for the successful implementation of this Act shall be taken from the
11 current fiscal year appropriation of the DOE. Thereafter, the
12 amount needed for the continuous implementation of this Act shall
13 be included in the annual General Appropriations Act.

14 SEC. 29. *Implementing Rules and Regulations.* – The DOE
15 shall, in consultation with concerned government agencies and/or
16 entities, LGUs, industrial and commercial sectors, and other
17 relevant stakeholders, promulgate the implementing rules and
18 regulations (IRR) within six (6) months from the effectivity of this
19 Act.

20 SEC. 30. *Congressional Oversight.* – Upon the effectivity of
21 this Act, the Joint Congressional Power Commission created under
22 Section 62 of Republic Act No. 9136, otherwise known as the
23 “Electric Power Industry Reform Act of 2001”, shall exercise
24 oversight powers over the implementation of this Act.

25 SEC. 31. *Separability Clause.* – If, for any reason, any
26 section or provision of this Act is declared to be unconstitutional or

1 invalid, such part not affected thereby shall remain in full force and
2 effect.

3 SEC. 32. *Repealing Clause.* – All laws, presidential decrees,
4 executive orders, issuances, rules and regulations inconsistent with
5 the provisions of this Act are hereby repealed or modified
6 accordingly.

7 SEC. 33. *Effectivity.* – This Act shall take effect fifteen (15)
8 days after its publication in the *Official Gazette* or in a newspaper of
9 general circulation.

 Approved,

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