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SENATE

S. B. No. 1531

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(In Substitution of Senate Bill Nos. 30, and 525)

Prepared and submitted jointly by the Committees on Energy; Ways and Means; Public Services and Finance, with **Senators Legarda, Binay, Trillanes** and **Gatchalian**, as authors thereof

AN ACT

**INSTITUTIONALIZING ENERGY EFFICIENCY AND CONSERVATION,
ENHANCING THE EFFICIENT USE OF ENERGY, 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

SECTION 1. Short Title. – This Act shall be known as the “Energy Efficiency and Conservation Act of 2017.”

SECTION 2. Declaration of Policy. – 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 and programs to secure sufficiency and stability of energy supply in the country, to cushion the impact of high prices of imported fuels on local markets, and to protect the environment in support of the economic and social development goals of the country;

- 1 b) Promote and encourage the development and utilization of efficient
2 renewable energy technologies, systems, and other energy efficient practices
3 to ensure optimal use and sustainability of the country's energy resources;
4
- 5 c) Reinforce related laws and other statutory provisions for a comprehensive
6 approach to energy efficiency, conservation, and sufficiency in the country;
7 and
8
- 9 d) Ensure a market-driven approach to energy efficiency, conservation,
10 sufficiency, and sustainability in the country.
11

12 **SECTION 3. Scope.** – This Act shall establish a framework for introducing and
13 institutionalizing fundamental policies on energy efficiency and conservation,
14 including the promotion of efficient and judicious utilization of energy, increase
15 in the utilization of energy efficiency and renewable energy technologies, and
16 the definition of responsibilities of various government agencies and private
17 entities.
18

19 **SECTION 4. Definition of Terms.** – For the purposes of this Act, the following
20 terms shall have the following meanings unless indicated otherwise:
21

22 a) **Certified Energy Conservation Officer (CECO)**–refers to a professional
23 who obtains a certification as a CECO after demonstrating high levels of
24 experience, competence, proficiency, and ethical fitness in the energy
25 management profession, and who shall be responsible for the supervision
26 and maintenance of the facilities of Type 1 Designated Establishments for
27 the proper management of energy consumption and such other functions
28 deemed necessary for the efficient and judicious utilization of energy under
29 this Act;
30

31 b) **Certified Energy Managers (CEM)**– refers to a licensed engineer who
32 obtains a certification as a CEM after demonstrating high levels of
33 experience, competence, proficiency, and ethical fitness in the energy
34 management profession, and who shall be chosen by Type 2 Designated

1 Establishments to plan, lead, manage, coordinate, monitor, and evaluate
2 the implementation of sustainable energy management within their
3 organizations;

4
5 c) **Designated Establishment** – refers to a private or public entity in the
6 commercial, industrial, transport, power, agriculture, public works, and
7 other sectors identified by the Department of Energy (DOE) as energy
8 intensive industries based on their annual energy consumption in the
9 previous year or another annual index equivalent to such energy, the
10 amount of which is indicated in this Act and subject to adjustment by the
11 DOE as it deems necessary;

12
13 d) **Distribution Utility** –refers to any electric cooperative, private corporation,
14 government-owned utility, or existing local government unit which has an
15 exclusive franchise to operate a distribution system including those whose
16 franchise covers economic zones;

17
18 e) **Department of Energy** (DOE)– refers to the agency created through
19 Republic Act No. 7638 or the Department of Energy Act of 1992 and whose
20 functions were expanded by Republic Act No. 9136 or the Electric Power
21 Industry Reform Act of 2001;

22
23 f) **Energy** – refers to all types of energy available commercially including but
24 not limited to natural gas (liquid natural gas and liquid oil gas), all heating
25 and cooling fuels (including district heating and district cooling), coal,
26 transport fuels, and renewable energy sources;

27
28 g) **Energy Audit**– refers to the evaluation of energy consumption and review of
29 current energy cost to determine appropriate intervention measures and
30 efficiency projects in which energy can be judiciously and efficiently used to
31 achieve savings. It can refer to a walk-through audit, a preliminary audit, or
32 a detailed audit;

33
34 h) **Energy Auditor** – refers to individuals or entities certified by DOE who have
35 proven credibility and competence to conduct an Energy Audit: *Provided,*

1 That the guidelines in the certification of Energy Auditors shall be developed
2 by DOE upon consultation with stakeholders;

3
4 i) **Energy Conservation**- refers to the reduction of losses and wastage in
5 various energy stages from energy production to energy consumption
6 through the adoption of appropriate measures that are technologically
7 feasible, economically sound, environmentally-friendly, and socially
8 affordable;

9
10 j) **Energy Consumption and Conservation Report**- refers to the periodic
11 report submitted to the DOE by Type 1 and Type 2 Designated
12 Establishments, and the Transmission Utility with regard to the National
13 Energy Efficiency & Conservation Plan containing their, among others,
14 energy consumption, energy loss, and status of energy use: *Provided*, That
15 the comprehensive contents of the report shall be specified by DOE;

16
17 k) **Energy Efficiency**-refers to the way of managing and restraining the
18 growth in energy consumption resulting in the delivery of more services for
19 the same energy input or the same services for less energy input;

20
21 l) **Energy Efficiency and Conservation Office (EECO)** -refers to the office to
22 be established in local government units mandated to oversee and monitor
23 the implementation of each local government unit's Local Energy Efficiency
24 and Conservation Plan;

25
26 m) **Energy Efficiency and Conservation Officer (EEC Officer)**- refers to the
27 head of the EECO responsible for overseeing the implementation of the
28 Local Energy Efficiency and Conservation Plan at the local government level;

29
30 n) **Energy Efficient Projects**- refers to projects designed to reduce energy
31 consumption and costs by any improvement, repair, alteration, or
32 betterment of any building or facility, or any equipment, fixture, or
33 furnishing to be added to or used in any building, facility, or vehicle
34 including the manufacturing and provision of services related thereof;

1 *Provided*, That these projects must be cost-effective and will lead to lower
2 energy or utility costs during operation and maintenance;

3
4 o) **Energy End-Users**– refers to all individuals and entities which consume
5 energy to include but shall not be limited to households, industrial and
6 commercial customers, power plants, distribution utilities, and
7 transmission utilities;

8
9 p) **Energy Labeling** –refers to the Philippine Energy Standards and Labeling
10 Program (PESLP) which requires manufacturers to attach an energy label on
11 their products to inform consumers about the energy performance and
12 efficiency of the product;

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

19
20 r) **Energy Service Company (ESCO)**–refers to a juridical entity that offers
21 multi-technology services and goods towards developing and designing
22 energy efficiency projects, delivering and guaranteeing energy savings, and
23 ensuring cost-effective and optimal performance. The services include but
24 are not limited to: energy supply and management, energy financing,
25 technical engineering expertise and consultancy, equipment supply,
26 installation, operation, maintenance, and upgrade, and monitoring and
27 verification of performance and savings. The goods include but are not
28 limited to: lighting, motors and drives, heating, ventilation, and air
29 conditioning systems, building envelope improvements, and waste heat
30 recovery, cooling, heating, or other usable forms of energy control systems;

31
32 s) **Energy Sufficiency**–refers to a condition where the quantity of the supply
33 of energy is enough or sufficient to meet the demand, including the required
34 reserves;

35

- 1 t) **Government Energy Efficiency Projects**– refers to energy efficiency
2 projects carried out by all government departments, government-owned and
3 -controlled corporations (GOCCs), state colleges and universities, hospitals,
4 and other instrumentalities of the government which have been evaluated
5 and endorsed by the DOE for approval of the Inter-Agency Energy Efficiency
6 and Conservation Committee created under this Act;
7
- 8 u) **Government Energy Management Program (GEMP)** – refers to the
9 government-wide program to reduce the government’s monthly consumption
10 of electricity and petroleum products through, among others, electricity
11 efficiency and conservation, and efficiency and conservation in fuel use of
12 government vehicles;
13
- 14 v) **Local Energy Efficiency and Conservation Plan (LEECP)** – refers to a
15 collaborative and multi-stakeholder comprehensive framework, governance
16 structure, and programs for local energy efficiency and conservation with
17 defined targets, feasible strategies, and regular monitoring and evaluation;
18 *Provided*, That it shall be aligned with this Act and the National Energy
19 Efficiency and Conservation Plan;
20
- 21 w) **Local Government Units (LGUs)**– refers to the government units created
22 through Republic Act No. 7160;
23
- 24 x) **Minimum Energy Performance (MEP)** –refers to a performance standard
25 which prescribes a minimum level of energy performance for the
26 commercial, industrial, and transport sectors, and energy-consuming
27 products including but not limited to appliances, lighting, electrical
28 equipment, machinery, and transport vehicles that must be met or exceeded
29 before they can be offered for sale or used for residential, commercial,
30 transport, and industrial purposes;
31
- 32 y) **National Energy Efficiency and Conservation Coordinating Officer**
33 (NEECCO) –refers to the person appointed by the league of local government
34 units from among all the EEC Officers of different local governments who
35 shall be responsible for integrating all the Local Energy Efficiency and
36 Conservation Plans;

- 1 z) **National Energy Efficiency and Conservation Database (NEECD)**– refers
2 to a centralized, comprehensive, and unified database on national energy
3 consumption, the application and use of energy efficient and renewable
4 energy technologies, and other critical and relevant information to be used
5 for evaluation, analysis, and dissemination of data and information related
6 to energy efficiency and conservation;
7
- 8 aa) **National Energy Efficiency and Conservation Plan (NEECP)**– refers to the
9 national comprehensive framework, governance structure, and programs for
10 energy efficiency and conservation with defined national targets, feasible
11 strategies, and regular monitoring and evaluation: *Provided*, That it is
12 aligned with this Act and is a result of a collaborative and multi-stakeholder
13 consultative process: *Provided further*, That it shall be regularly reviewed
14 and revised as determined by the DOE;
15
- 16 bb) **Philippine Qualifications Framework (PQF)** –refers to a national policy
17 describing the levels of educational qualifications and sets of standards for
18 qualification outcomes. It is a quality assured national system for the
19 development, recognition, and award of qualifications based on the
20 standards of knowledge, skills, and values acquired in different ways and
21 methods by learners and workers. It is an assessment-based qualification
22 recognition which is competency-based and labor market driven;
23
- 24 cc) **Transport Vehicle**– refers to transport vehicles, be it land, air, or sea
25 regardless of size or weight classification;
26
- 27 dd) **Specific Energy Consumption (SEC)**– refers to the energy consumption
28 volume required per unit, such as production volume, sales amount,
29 transportation kilometer, transportation tonne-kilometer, floor space, and
30 such other indicators relevant to energy consumption; and
31
- 32 ee) **Transmission Utility** – refers to any private corporation or government-
33 owned utility, which has an exclusive franchise to operate the system of
34 wires for the conveyance of electricity through a high voltage backbone line.
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CHAPTER 2
ROLES AND RESPONSIBILITIES

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SECTION 5. Implementing Agency. – The DOE shall be the lead government agency in the implementation of the provisions of this Act. It shall be responsible for the planning, formulation, development, implementation, enforcement, and monitoring of energy management policies and other related energy efficiency and conservation plans and programs. In addition to its existing mandate, the DOE shall also have the following powers and functions:

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- a) Spearhead the creation and update the development of the NEECP in coordination with pertinent government agencies, LGUs, and private corporations and organizations;
 - b) Develop a system of monitoring the implementation of the NEECP, including the targets that are established therein;
 - c) Develop and maintain the NEECD, in coordination with and assisted by the Philippine Statistical Authority, to ensure efficient evaluation, analysis, and dissemination of data and information for enforcement, planning, and policy-making purposes;
 - d) Lead the efforts to ensure compliance with the GEMP in accordance with the strategic direction provided by the Inter-Agency Energy Efficiency and Conservation Committee;
 - e) Develop, impose, and review the MEP enforced on machinery and equipment, appliances, technologies, vehicles, and other energy-consuming equipment and electric devices, among others, in consultation with the Department of Trade and Industry – Bureau of Philippine Standards, and pursuant to Chapter 5, Section 13 of this Act;
 - f) Require manufacturers, importers, and dealers to comply with the MEP, and to display on the packaging and on their products the energy label showing the energy requirement and consumption efficiency of such products;

- 1 g) Periodically review and reclassify Designated Establishments as defined
2 under this Act and pursuant to its Implementing Rules and Regulations
3 (IRR);
4
- 5 h) Enforce and ensure compliance with prescribed ratings standards for
6 energy performance in buildings and industries, in coordination with
7 pertinent government agencies;
8
- 9 i) Support LGUs on matters related to energy efficiency planning and
10 promotion, the preparation of their respective LEECPs, and its
11 implementation through various local energy efficiency programs:
12 *Provided*, That DOE shall provide LGUs with templates for reporting
13 updates on the implementation;
14
- 15 j) Coordinate with the NEECCO for the integrated LEECP to ensure its
16 consistency and alignment with the NEECP;
17
- 18 k) Consult with Energy End-Users to develop the appropriate mechanism to
19 effectively implement this Act: *Provided*, That such mechanism shall, as
20 much as practicable, redound to the direct benefit of the Energy End-
21 user;
22
- 23 l) Initiate and maintain collaborative efforts with the business sector,
24 particularly the commercial, industrial, transport, and power sectors, to
25 ensure compliance with this Act, and broaden and enhance their efficient
26 and judicious utilization of energy;
27
- 28 m) Develop and undertake a national awareness and advocacy campaign on
29 energy efficiency and conservation in partnership with business,
30 academe, non-government organizations, and other sectors;
31
- 32 n) Provide annual reports to Congress, indicating, among others, the status
33 of implementation of this Act at the national and local levels as well as
34 cost effectiveness outcomes, and energy and environmental impacts
35 resulting from the implementation of this Act;
36

- 1 o) Impose and collect reasonable fees for accreditation and certification for
2 services provided in this Act; and
3
4 p) Perform such other powers and functions as may be necessary to attain
5 the objectives of this Act.
6

7 **SECTION 6. Role of Other Government Agencies.** – All government agencies
8 including GOCCs shall ensure the efficient use of energy in their respective
9 offices, facilities, transportation units, and in the discharge of their functions.
10 In addition, the following agencies shall exercise the responsibilities and
11 functions as enumerated hereunder:
12

- 13 a) Board of Investments (BOI) – The BOI shall include Energy Efficient
14 Projects as defined in this Act in the annual investment priorities plan
15 entitled to incentives provided under Executive Order No. 226 or the
16 Omnibus Investment Code of the Philippines and any other applicable
17 laws;
18
19 b) Climate Change Commission (CCC) – The CCC shall collaborate with the
20 DOE and other government agencies in establishing targets, determining
21 strategies, and monitoring and recording all greenhouse gas emission
22 reductions resulting from energy efficiency and conservation projects:
23 *Provided, That* such targets and strategies are aligned with the NEECP;
24
25 c) Commission on Audit (COA) - The COA shall recognize Government
26 Energy Efficiency Projects as defined under this Act consistent with
27 government accounting and auditing rules;
28
29 d) Commission on Higher Education (CHED) – The CHED shall integrate
30 into existing engineering curricula appropriate courses related to energy
31 management. It shall also promote energy efficiency measures in higher
32 education institutions including state colleges and universities;
33

- 1 e) Department of Budget and Management (DBM) – The DBM shall give due
2 preference to funding Government Energy Efficiency Projects as defined
3 under this Act;
4
- 5 f) Department of Education (DepEd) – The DepEd shall promote energy
6 efficiency and conservation practices through its K-12 career advocacy
7 program;
8
- 9 g) Department of Finance (DOF) – The DOF, in coordination with the DOE
10 and other concerned agencies, shall draw up appropriate mechanisms to
11 implement the fiscal incentives under this Act;
12
- 13 h) Department of Environment and Natural Resources (DENR) – The DENR,
14 in coordination with the DOE and Department of Interior and Local
15 Government, shall establish guidelines for the accurate characterization
16 of wastes arising from energy-consuming devices, equipment, fixtures,
17 and other relevant items, including the end-of-life of vehicles and its
18 component parts: *Provided*, That such guidelines will include appropriate
19 containment features and management of hazardous wastes, consistent
20 with Republic Act No. 6969 or the Toxic Substances and Hazardous and
21 Nuclear Wastes Control Act of 1990;
22
- 23 i) Department of Interior and Local Government (DILG) – The DILG shall,
24 in coordination with the DOE, be responsible in ensuring compliance of
25 all LGUs in implementing the provisions of this Act;
26
- 27 j) Department of Public Works and Highways (DPWH) – The DPWH shall, in
28 coordination with the DOE, be responsible for ensuring the
29 implementation of the Guidelines on Energy Conserving Design of
30 Buildings and Utility Systems as an integral part of the Roadway Lighting
31 Guidelines, and such other related guidelines as may be issued by the
32 DOE, and in accordance with Republic Act No. 6541 or the National
33 Building Code of the Philippines and other related laws;
34

- 1 k) Department of Science and Technology (DOST) – The DOST shall, in
2 coordination with the DOE, be responsible for carrying out strategic
3 research and development programs aimed at facilitating the
4 development of new and alternative energy efficient technologies and the
5 promotion thereof;
6
- 7 l) Department of Trade and Industry (DTI) – The DTI, through the Bureau
8 of Philippine Standards, shall, in consultation with the DOE, require
9 manufacturers, importers, and dealers to comply with the MEP, and to
10 display the energy label and/or the energy efficiency label showing the
11 energy requirement and consumption efficiency of such products on the
12 packaging and on the products themselves;
13
- 14 m) Department of Transportation (DOTr) – The DOTr shall, in coordination
15 with the DOE and the DENR, be responsible for ensuring compliance of
16 vehicle owners, manufacturers, and importers with the MEP for
17 transport vehicles consistent with the specifications for all types of fuels
18 prescribed under Republic Act No. 8749 or the Clean Air Act of 1999, and
19 to display the energy consumption label in coordination with the vehicle
20 manufacturers, transport industry associations, public transport groups,
21 and non-government organizations. The DOTr shall also assist the DOE
22 in the enforcement of and compliance with measures under this Act and
23 its implementing rules and regulations relative to the energy
24 consumption of the transport sector.
25
- 26 n) Governance Commission for GOCCs (GCG) – The GCG shall incorporate
27 energy efficiency as a factor in evaluating the performance of GOCCs;
28
- 29 o) Government Financial Institutions (GFIs) – The GFIs shall set aside
30 lending funds for Energy Efficient Projects at concessional rates of
31 interest to attract private sector investments. The GFIs, in collaboration
32 with the Insurance Commission, shall ensure the availability of
33 compatible guarantee or insurance products that would mitigate credit
34 risks associated with energy efficiency investments in small and
35 medium-sized enterprises and performance risks related to energy

1 efficiency solutions developed by ESCOs, engineering companies, and
2 other technology providers;

3
4 p) Insurance Commission (IC) –The IC in collaboration with the GFIs shall
5 ensure the availability of compatible guarantee products that would
6 mitigate the credit risks associated with energy efficiency investments in
7 small and medium-sized enterprises and performance risks related to the
8 energy efficiency solutions developed by ESCOs, engineering companies,
9 and other technology providers;

10
11 q) National Competitiveness Council (NCC) – The NCC shall serve as the
12 focal point for private sector involvement in the implementation of this
13 Act in recognition of the potential of energy efficiency as a tool for
14 improving the competitiveness of businesses in the country;

15
16 r) Philippine Statistics Authority (PSA) – The PSA shall, in coordination with
17 the DOE, institutionalize the household energy consumption survey, the
18 survey of energy consumption of establishments, and other surveys
19 relating to energy supply, demand, efficiency, and conservation, and
20 assist the DOE in the establishment of the NEECD as provided under
21 this Act; and

22
23 s) Technical Education Skills Development Authority (TESDA) – The TESDA
24 shall, in collaboration with the DOE, CHED, DOST, and other training
25 and service institutions, shall develop Training Regulations for the
26 Certifications of Energy Managers and Energy Efficiency and
27 Conservation Officers. It shall also ensure the promotion of energy
28 efficiency practices and renewable technologies through its Technical
29 Vocational Education and Training Programs. TESDA shall implement
30 skills training, assessment, and certification programs for mechanics,
31 technicians, installers, and operators of energy efficient, as well as
32 renewable energy systems.

33

1 **SECTION 7. Role of Local Government Units.** – The LGUs through their
2 respective EECOs and Planning and Development Offices/Units, with the
3 assistance of the DOE and in coordination with the DILG, shall develop and
4 implement their respective LEECP and incorporate these in their local
5 development plans.

6
7 Furthermore, the LGUs shall assist the DOE in monitoring compliance with the
8 obligations of Designated Establishments under this Act for input in the
9 NEECD.

10
11 **SECTION 8. Role of Energy End-Users.** – All Energy End-Users shall use
12 every available energy resource efficiently and promote the development and
13 utilization of new and alternative energy efficient technologies and systems,
14 including renewable energy technologies, in compliance with the declared
15 policies of this Act.

16
17 **CHAPTER 3**
18 **INTER-AGENCY ENERGY EFFICIENCY AND**
19 **CONSERVATION COMMITTEE**
20

21 **SECTION 9. Inter-Agency Energy Efficiency and Conservation Committee**
22 **(Committee).** –An Inter-Agency Energy Efficiency and Conservation Committee
23 is hereby created to approve Government Energy Efficiency Projects as defined
24 under this Act and to provide strategic direction in the implementation of the
25 GEMP.

26
27 The Committee shall be composed of the following members:

- 28 a) Secretary of the DOE;
29 b) Secretary of the DBM;
30 c) Secretary of the DOF;
31 d) Secretary of the DTI;
32 e) Secretary of the DOTr;
33 f) Secretary of the DPWH;

- 1 g) Director General of the National Economic Development Authority
2 (NEDA); and
3 h) Two (2) representatives from the private sector who shall be
4 recommended by the Secretary of the DOE and chosen by the other
5 members of the Committee: *Provided*, That the said representatives are
6 actively involved in promoting energy efficiency and conservation:
7 *Provided further*, That the said representatives shall serve for a term of
8 three (3) years.
9

10 The Secretary of the DOE shall serve as the Chairperson of the Committee and
11 the Energy Efficiency and Conservation Public Sector Management Division of
12 DOE's Utilization Management Bureau (EUMB), as defined in this Act, shall
13 serve as the Committee's Secretariat.
14

15 **SECTION 10. Powers and Duties.**— The Committee shall have the following
16 powers and duties:
17

- 18 a) To prepare an annual assessment of opportunities for energy cost
19 reduction in state-owned and leased buildings and facilities designated
20 by the Committee: *Provided*, That each assessment shall be completed
21 each year: *Provided further*, That the assessment shall be available to the
22 public: *Provided finally*, That the assessment shall include:
23
24 1. Data for the preceding five (5) years on energy consumption and costs
25 including anticipated energy consumption and cost projected for the
26 next three (3) years for each building and facility designated by the
27 Committee;
28 2. Energy conservation measures deployed in buildings and facilities
29 designated by the Committee during the preceding year;
30 3. Evaluation studies of the cost reductions and other benefits realized
31 through the deployment of energy conservation measures; and
32 4. Energy conservation opportunities based on audits, technical
33 analyses, or other methods of determining such opportunities and
34 associated energy saving operations and maintenance procedures

1 and capital projects for each building or facility designated by the
2 Committee.

- 3
- 4 b) To review all proposed capital projects and energy cost operating budgets
5 of agencies designated by the Committee and recommend energy
6 conservation measures which would reduce operating costs in buildings
7 or facilities;
- 8
- 9 c) To provide any officer or entity of government, technical and consultative
10 assistance concerning energy cost management or conservation;
- 11
- 12 d) To annually recommend specific operations and maintenance procedure
13 modifications and capital projects for state-owned and leased buildings
14 and facilities designed to reduce energy consumption and costs;
- 15
- 16 e) To conduct surveys, audits, technical analysis, and other research or
17 investigations related to Government Energy Efficiency Projects and the
18 GEMP as may be necessary to support the preparation of the NEECP and
19 the objectives of this Act;
- 20
- 21 f) To issue a report describing the status of Government Energy Efficiency
22 Projects and the GEMP, listing obstacles to building energy efficiency
23 improvement together with related recommendations for statutory
24 change, and identifying opportunities for public sector energy cost
25 reductions not addressed by this Act or the programs developed
26 pursuant hereto; and
- 27
- 28 g) To develop, after study of existing or emerging energy conservation
29 technologies, guidelines as may be necessary or desirable to aid the work
30 of the Committee in furtherance of the objectives of this Act.
- 31

32 **CHAPTER 4**

33 **CERTIFICATION FOR PROFESSIONAL COMPETENCY AND**
34 **ACCREDITATION FOR PROFESSIONAL SERVICES**

1 **SECTION 11. Certified Energy Conservation Officer (CECO) and Certified**
2 **Energy Manager (CEM).** -A system for the certification and assessment of
3 energy conservation officers and energy managers shall be established towards
4 raising the professional standards of those engaged in energy management.
5

6 The CECO certification system shall be developed by DOE and TESDA. It shall
7 be based on an approved scope of practice, a set of competency standards with
8 a clear assessment and certification process, and a certification for the
9 determined competency undertaken by the prescribed governance structure
10 and quality assurance systems and aligned with the PQF and applicable
11 international standards. Towards this end, TESDA shall conduct training,
12 assessment, and certification of workers for PQF qualification levels 1 to 5, and
13 shall register Technical Vocational Education and Training programs including
14 that of non-profit organizations and other private training institutions. TESDA,
15 in coordination with the DOE, shall develop guidelines for this purpose.
16

17 The CEM certification and assessment system for registered engineers shall be
18 established by CHED. Towards this end, CHED shall offer professional
19 certificate programs for energy managers and, in coordination with the DOE
20 and TESDA, shall develop undergraduate, graduate, and professional
21 certificate programs on energy management to ensure availability of
22 competencies and skills required to promote and achieve the country's
23 sustainable energy goals. CHED, in coordination with the DOE, shall develop
24 guidelines for this purpose.
25

26 **SECTION 12. Accreditation of Energy Service Company (ESCO).**- The DOE
27 shall strengthen the existing ESCO accreditation system to develop this service
28 sector and to provide the market with a source of technically and financially
29 capable entities that can assist in the delivery of energy efficiency-related
30 projects.
31

32 ESCOs applying for accreditation must demonstrate their technical and
33 managerial competence to design and implement energy efficiency projects,
34 including but not limited to:

35 (a) Energy Audits;

36 (b) Design Engineering;

- 1 (c) Providing or arranging project financing;
- 2 (d) Construction Management;
- 3 (e) Operations and Maintenance of Energy Efficiency Technologies;
- 4 and
- 5 (f) Verifying Energy Savings.

6

7 **CHAPTER 5**

8 **ENERGY PERFORMANCE STANDARDS AND**

9 **LABELING REQUIREMENTS**

10

11 **SECTION 13. Minimum Energy Performance (MEP).** – The MEP for the
12 commercial, industrial, and transport sectors shall be developed by the DOE,
13 in consultation with relevant stakeholders, and guided by a cost-benefit
14 analysis which shall be completed by the DOE with the assistance of the NEDA
15 within one (1) year from the effectivity of this Act: *Provided*, That the adoption
16 and enforcement of the MEP shall form part of the NEECP.

17

18 The MEP for energy-consuming products through a particular product
19 requirement under the PESLP shall also be developed by the DOE in
20 consultation with relevant stakeholders involved in the manufacturing, sale,
21 and use of the products covered. The DOE shall also develop the energy
22 performance testing guidelines for all energy-consuming products to ensure
23 compliance with the MEP.

24

25 All manufacturers, importers, distributors, and retailers of energy-consuming
26 products shall comply with the MEP, subject their energy-consuming products
27 to energy performance testing, and submit their respective product information
28 to the DOE.

29

30 No manufacturer, importer, distributor, and retailer shall sell, lease, or import
31 any energy-consuming product, unless the product complies with the MEP and
32 the product or its package is labeled in accordance with this Act.

33

34 **SECTION 14. Energy Labeling for Products and Equipment.** –The DOE shall
35 prescribe energy labels for all energy-consuming products, devices, and

1 equipment. Manufacturers, importers, suppliers, distributors, and retailers
2 engaged in selling these products, devices, and equipment shall ensure that
3 these energy labels are displayed accordingly, and shall provide information
4 that will assist consumers to make informed decisions on these products:
5 *Provided*, That they shall ensure the integrity of the information submitted and
6 made available to the public: *Provided further*, That the DOE shall define the
7 nature and scope of the information to be provided.

8
9 The DOE shall also develop and enforce a Mandatory Energy Efficiency Rating
10 and Labeling System (MEERLS) for identified energy-consuming products, such
11 as, but not limited to, room air conditioners, refrigeration units, and television
12 sets, to promote energy efficient appliances and raise public awareness on
13 energy saving. The energy efficiency label, at the minimum, shall reflect the
14 energy efficiency rating of the product, the monthly energy consumption based
15 on a specified hour of daily usage, the brand name and product model, and the
16 year the energy rating was issued: *Provided*, That the calculation method of the
17 energy efficiency rating shall be made available to the public and shall be
18 updated as often as necessary to ensure the integrity of the labeling system:
19 *Provided further*, That the calculation of the energy efficiency rating shall be
20 contained in the Code of Practice on Energy Labeling of Products to be
21 developed by the DOE.

22
23 **SECTION 15. Energy Product, Device, and Equipment Examination,**
24 **Testing, and Verification.** -The DOE shall regularly select energy-consuming
25 products and their models for examination, testing, and verification. As such,
26 the DOE may require any manufacturer, importer, supplier, distributor, or
27 retailer of energy-consuming products, devices, and equipment to make
28 available, at such place as the DOE may specify, such number of products as
29 the DOE considers to be reasonably necessary for examination and testing
30 under this Section.

31
32 The DOE is authorized to dismantle and examine the energy-consuming
33 product, device, or equipment referred herein, to determine the product's
34 energy efficiency. Such products, upon completion of testing, shall be returned
35 by the DOE to the concerned manufacturer, importer, supplier, distributor, or
36 retailer, unless the DOE has reasonable grounds to believe that any provision
37 of this Act was violated and the product will serve as evidence of the violation.

1 The DOE, subject to procurement laws and regulations, may procure the
2 services of or enter into an agreement or other arrangement with a qualified
3 supplier or entity to carry out the examination and testing of energy-
4 consuming products. The DOE, in the engagement of a qualified supplier or
5 entity to carry out the examination and testing of energy-consuming products,
6 shall follow the process and procedures laid down in Republic Act No. 9184 or
7 the Government Procurement Reform Act and its revised implementing rules
8 and regulations except when the engagement involves a contractual
9 arrangement under a Public Private Partnership covered by Republic Act No.
10 6957 or An Act Authorizing the Financing, Construction, Operation and
11 Maintenance of Infrastructure Projects by the Private Sector and For Other
12 Purposes, as amended by Republic Act No. 7718, or through a Joint Venture
13 Agreement with private entities under a profit sharing scheme under the 2013
14 NEDA Joint Venture Guidelines as may be amended in the future.

15
16
17 **SECTION 16. Fuel Economy Performance for Transport Vehicles.** – To
18 ensure fuel efficiency for transport, vehicle manufacturers, importers, and
19 dealers shall comply with fuel economy performance labeling requirements set
20 by the DOE with the assistance of the DENR and DOTr. The vehicle
21 manufacturers, importers, and dealers shall provide technical information on
22 the fuel economy rating of the engine that will allow the consumers to make an
23 informed decision in choosing the vehicles for their use.

24
25 The DOE shall develop and conduct fuel efficiency testing guidelines for the
26 conduct of fuel efficiency tests to validate the information provided by vehicle
27 manufacturers, importers, and dealers.

28
29 **SECTION 17. Energy Performance for Buildings.** – To ensure appropriate
30 and effective implementation of energy efficiency and conservation for new and
31 existing buildings for commercial and institutional use such as, but not limited
32 to, hospitals, educational facilities, exhibition centers, government offices and
33 military facilities, the LGUs shall implement the following measures in
34 accordance with building permit issuances:

35
36 a) New building construction shall comply with the minimum
37 requirements as specified in the Guidelines on Energy Conserving Design on

1 Buildings issued by the DOE, in consultation with the DPWH: *Provided*, That
2 state-owned buildings and facilities shall comply with the GEMP and such
3 other guidelines issued by the Committee; and
4

5 b) Retrofit of buildings shall also comply with the minimum
6 requirements as specified in the Guidelines on Energy Conserving Design on
7 Buildings issued by the DOE, in consultation with the DPWH: *Provided*, That
8 state-owned and leased buildings and facilities shall comply with the GEMP
9 and such other guidelines issued by the Committee.
10

11 **CHAPTER 6**

12 **DESIGNATED ESTABLISHMENTS**

13

14 **SECTION 18. Designated Establishments.** – Designated Establishments shall
15 initially be classified as follows:
16

- 17 a) Type 1 Designated Establishments are those with an annual energy
18 consumption of 500,000 kilowatt-hours (kWh) to 4,000,000 kWh for the
19 previous year; and
20 b) Type 2 Designated Establishments are those with an annual energy
21 consumption of more than 4,000,000 kWh for the previous year.
22

23 The thresholds for determining Type 1 or Type 2 Designated Establishments
24 shall be periodically reviewed and adjusted, if deemed necessary, by the DOE.
25

26 **SECTION 19. Obligations of Designated Establishments.**– The Designated
27 Establishments shall have the following obligations:
28

29 a) Integrate an Energy Management System Policy into the business
30 operation based on ISO 50001 or any similar framework;
31

32 b) Set up programs to develop and design measures that promote energy
33 efficiency, conservation, and sufficiency that may include, but are not limited
34 to, installation of renewable energy technologies;
35

1 c) Set up annual targets, plans, and methods of measurements and
2 verification for the implementation of energy efficiency and conservation
3 projects;

4
5 d) Keep records on monthly energy consumption data and other energy-
6 related data;

7
8 e) Improve average SEC in accordance with the annual reduction targets
9 to be established by the DOE in the NEECP;

10
11 f) Submit an Annual Energy Consumption and Conservation Report to
12 the DOE by the 15th of April of every year;

13
14 g) Conduct an Energy Audit once every three (3) years, by engaging
15 either a certified Energy Auditor or an accredited ESCO and submit an Energy
16 Audit Report to the DOE upon completion of the Energy Audit;

17
18 h) Employ a CECO for Type 1 Designated Establishments, and a CEM
19 for Type 2 Designated Establishments: *Provided*, That the CECO and the CEM
20 may be chosen from within the organization or hired through external
21 recruitment; and

22
23 i) Duly notify the DOE on the appointment or separation from the
24 service of their respective CECOs or CEMs within 10 working days from the
25 effectivity of these personnel action.

26
27 **SECTION 20. Responsibilities of the Certified Energy Conservation Officer**
28 **and the Certified Energy Manager.** – The CECO and the CEM, in their
29 respective Designated Establishments, shall:

30 a) Manage the energy consumption of facilities, equipment, and devices;

31 b) Administer the following:

32 i. Implementation and improvement of energy efficiency measures,

33 ii. Conduct of regular Energy Audit,

34 iii. Energy monitoring and control, and

35 iv. Preparation of periodic energy consumption and energy conservation
36 program reports; and

37 c) Fulfill other responsibilities as indicated in this Act.

1 **SECTION 21. Other Establishments.** – Establishments with an annual energy
2 consumption of at least 100,000kWh but less than 500,000 kWh in the
3 previous year shall be required to submit an annual energy consumption
4 report to the DOE and integrate an Energy Management System policy into
5 their business operations based on ISO 50001 or any similar framework or
6 such other standard identified by the DOE: *Provided*, That the thresholds
7 indicated herein shall be periodically reviewed and adjusted, if deemed
8 necessary, by the DOE. These establishments may, on a voluntary basis,
9 submit themselves to external Energy Audit or quality control assessment to
10 assist them in their energy planning and management.

11
12 **SECTION 22. Visitorial Powers and On-Site Inspections.** – The DOE shall
13 have the authority to visit Designated Establishments to inspect energy-
14 consuming facilities, evaluate energy management systems and procedures,
15 identify areas for efficiency improvement, and verify energy monitoring records
16 and reports and other documents related to the compliance requirements of
17 this Act within office hours and in the presence of an authorized representative
18 of the Designated Establishment.

19 20 **CHAPTER 7**

21 **DEMAND SIDE MANAGEMENT**

22
23 **SECTION 23. Demand Side Management (DSM).** –The DOE with the
24 assistance of the Energy Regulatory Commission and the Philippine Economic
25 Zone Authority, shall pursue a DSM program for the electric power industry for
26 the reduction of energy consumption through effective load management
27 resulting to the decrease of power demand and the migration of power demand
28 from peak to off-peak periods or such measures undertaken by distribution
29 utilities to encourage end-users to properly manage their loads to a reduction
30 of energy consumption through effective load management resulting to the
31 decrease of power demand and the migration of power demand from peak to
32 off-peak periods or such measures undertaken by distribution utilities to
33 encourage end-users to properly manage their loads to achieve efficiency in the
34 utilization of fixed infrastructures in the systems.

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CHAPTER 8
INCENTIVES

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SECTION 24. Fiscal Incentives.— Upon certification by the DOE, Energy Efficient Projects as defined in this Act shall be included in the annual investment priorities plan of the BOI and shall be entitled to the incentives provided under Executive Order No. 266 or the Omnibus Investment Code of the Philippines and any other applicable laws.

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SECTION 25. Non-Fiscal Incentives. – Establishments that will implement or are implementing energy-efficient projects shall be entitled to the following:

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19
- a) Provision of awards and recognition for energy efficiency and conservation best practices innovation, and successful energy-efficient projects and products; and
 - b) Provision of technical assistance from government agencies in the development and promotion of energy-efficient technologies.

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SECTION 26. Financial Assistance. – GFIs 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.

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CHAPTER 8
MISCELLANEOUS PROVISIONS

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SECTION 27. Waste Management Collection Recycling and Disposal Guidelines. – The DENR, in coordination with the DOE and the DILG, will establish guidelines for the accurate characterization of wastes arising from energy-consuming devices, equipment, fixtures, and other relevant items, including end-of-life vehicles and their component parts. Such guidelines will include appropriate containment features and management measures for hazardous wastes, consistent with Republic Act No. 6969 or the Toxic Substance and Hazardous and Nuclear Wastes Control Act.

1 A Waste Management Collection, Recycling and Disposal Strategy (WMCARDS)
2 will also be developed by DOE, DENR, and DILG for wastes covered by this Act
3 to ensure that these are managed and disposed properly and to ensure that
4 impacts to the environment are prevented: *Provided*, That the WMCARDS shall
5 include waste recovery and recycling of components of devices, equipment,
6 fixtures, and other relevant items: *Provided further*, That the WMCARDS shall be
7 submitted to the National Solid Waste Management Commission in accordance
8 with Republic Act No. 9003 or the Ecological Solid Waste Management Act of
9 2000 for coordination with pertinent government agencies and units for
10 implementation.

11
12 **SECTION 28. Strengthening of the Energy Utilization Management**

13 **Bureau.**— The Energy Utilization Management Bureau (EUMB) under the DOE
14 is hereby re-organized as follows:

- 15
16 a) Alternative Fuels and Energy Technology Division whose functions shall
17 include:
- 18 i. Formulating policies, plans, and programs related to alternative
19 fuels and new and advanced energy technologies' development
20 towards socially and environmentally responsive and effective
21 utilization of energy resources; and
 - 22 ii. Developing and managing the Alternative Fuels and Energy
23 Technology Program.
- 24
- 25 b) Energy Efficiency and Conservation Program Management and
26 Technology Promotion Division whose functions shall include:
- 27 i. Evaluating energy efficiency and conservation technologies;
 - 28 ii. Promoting the increased utilization of energy efficient products;
 - 29 iii. Preparing all reports for submission to other government agencies
30 as required by law; and
 - 31 iv. Developing a comprehensive information, education, and
32 communication strategy for public awareness on energy efficient
33 programs and products.
- 34
- 35 c) Energy Efficiency and Conservation Public Sector Management Division
36 whose functions shall include:

- 1 i. Coordinating with the LGUs and the NEECCO to ensure
- 2 consistency with the NEECP;
- 3 ii. Providing technical assistance to LGUs and other government
- 4 agencies;
- 5 iii. Enhancing, expanding, and developing the GEMP; and
- 6 iv. Providing technical support to the Committee and acting as its
- 7 Secretariat.

8
9 d) Energy Efficiency and Conservation Performance Regulation and
10 Enforcement Division whose functions shall include:

- 11 i. Spearheading the creation of the NEECD in accordance with the
- 12 provisions of this Act;
- 13 ii. Formulating, developing, and updating MEP, Energy Labeling, and
- 14 other programs indicated in this Act;
- 15 iii. Enforcing the programs under this Act and its IRR such as but not
- 16 limited to the MEP and Energy Labeling.

17
18 The Appliance Testing and Laboratory Division of the Energy Research and
19 Testing Laboratory Services, the Legal Services under the General Legal
20 Services Division, the Financial Services under the Accounting Division, and
21 each Field Office under their respective Energy Resources Development and
22 Utilization Divisions of the DOE shall hereby receive additional plantilla
23 positions to provide support services to the EUMB in the discharge of its
24 functions under this Act.

25
26 The Secretary of DOE shall submit the revised organizational structure and
27 staffing compliment of the re-organized EUMB which shall be effective upon the
28 approval of the DBM.

29
30 The budgetary requirements necessary for the re-organized EUMB and the
31 supporting offices shall be taken from the current appropriations of the DOE.
32 Thereafter, the funding for the same shall be included in the annual General
33 Appropriations Act.

34
35 **SECTION 29. Prohibited Acts.** – The following acts are prohibited:

- 36
37 a) Failing to comply with Energy Labeling;

- 1 b) Removing, defacing, or altering any energy label on the energy-
2 consuming product before the said product is sold to the first retail
3 purchaser or leased to the first lessee;
- 4
- 5 c) Failing to provide accurate information, or the provision of false or
6 misleading energy information as required to be submitted under this
7 Act;
- 8
- 9 d) Selling, leasing, or importing energy-consuming products that do not
10 comply with the MEP as stated in this Act;
- 11
- 12 e) Failing and/or willfully refusing to appoint or designate a CECO or CEM;
- 13
- 14 f) Willfully refusing to submit to an on-site inspection as indicated in
15 Section 22 of this Act;
- 16
- 17 g) Failing and/or willfully refusing to submit any of the reports required
18 under this Act;
- 19
- 20 (h) Failing to comply with issued orders of the DOE in the discharge of its
21 enforcement powers under this Act; and
- 22
- 23 (i) Violating any provision of the implementing rules and regulations, codes,
24 and guidelines issued in accordance with this Act.
- 25

26 **SECTION 30. Explanation, Recommendation, Disclosure and Order.** – Upon
27 determination that a reasonable ground exists that an establishment has
28 committed any of the prohibited acts under Section 29 of this Act, the DOE
29 may consider the following measures prior to the imposition of the appropriate
30 fines and/or penalties for such violations:

31

32 a) Require an Explanation supported by reports, returns, and other
33 documents to rebut the alleged commission of the prohibited act;

34

35 b) In cases where an Explanation has been issued but the DOE finds a
36 violation because of materially insufficient reports, false returns, and non-

1 submission of required documents, provide a Recommendation to the said
2 establishment;

3
4 c) Disclose the name of the establishment after it has received a
5 Recommendation and failed to comply with such Recommendation; and

6
7 d) Issue an Order in cases where the said establishment failed to follow
8 or comply with the Recommendation issued by the DOE: *Provided*, That failure
9 on the part of the establishment to comply with the Order shall be a valid
10 ground for the imposition of fines and/or penalties in accordance with Section
11 31 of this Act.

12
13 **SECTION 31. Fines and Penalties.** – The DOE is empowered to impose fines
14 and penalties for any violation of the provisions of this Act, its implementing
15 rules and regulations and other issuances relative to this Act. The fines and
16 penalties shall range from a minimum of Ten thousand pesos (P10,000.00) to a
17 maximum of One million pesos (P1,000,000.00): *Provided*, That this is without
18 prejudice to the penalties provided for under existing regulations prescribed by
19 any other concerned government agency: *Provided further*, That this is without
20 prejudice to criminal liability as stated in this Act.

21
22 **SECTION 32. Criminal Liability.** – The responsible officer/s and/or
23 employee/s of any establishment or organization who willfully commits any of
24 the prohibited acts under Section 29 of this Act shall, upon conviction, suffer
25 the penalty of imprisonment of one (1) year to five (5) years, or a fine ranging
26 from a minimum of One hundred thousand pesos (P100,000.00) to One
27 hundred million pesos (P100,000,000.00) or twice the amount of costs avoided
28 for non-compliance, whichever is higher, or both, upon the discretion of the
29 court.

30
31 Any person, who willfully aids or abets the commission of the said prohibited
32 acts or who causes the commission of any such act by another shall be liable
33 in the same manner as the principal.

34
35 In cases of association, partnership or corporations, the penalty shall be
36 imposed on the partner, president, chief operating officer, chief executive
37 officer, director, or officer responsible for the violation.

1 **SECTION 33. Implementing Rules and Regulations.** – The DOE shall, in
2 consultation with concerned government agencies and/or entities, LGUs,
3 commercial, industrial, and transport sectors, and other relevant stakeholders,
4 promulgate the IRR within six (6) months from the effectivity of this Act.
5

6 **SECTION 34. Codes and Guidelines.** – The DOE, in accordance with the
7 provisions of this Act, shall develop all Codes and Guidelines mentioned herein
8 within six (6) months from the promulgation of this Act's IRR.
9

10 **SECTION 35. Congressional Oversight.** – Upon the effectivity of this Act, the
11 Joint Congressional Power Commission created under Section 62 of Republic
12 Act No. 9136 or the Electric Power Industry Reform Act of 2001 shall be
13 renamed to Joint Congressional Energy Commission and shall exercise
14 oversight powers over the implementation of this Act.
15

16 **SECTION 36. Separability Clause.** – If for any reason, any section or provision
17 of this Act is declared to be unconstitutional or invalid, such part not affected
18 thereby shall remain in full force and effect.
19

20 **SECTION. 37. Repealing Clause.** – All laws, Presidential decrees, executive
21 orders, issuances rules and regulations, inconsistent with the provisions of this
22 Act are hereby repealed or modified accordingly.
23

24 **SECTION 38. Effectivity.** – This Act shall take effect fifteen (15) days after its
25 publication in at least two (2) newspapers of general circulation upon its
26 approval.
27

28 Approved.