115 OG No. 22, 5432 (June 3, 2019)

[REPUBLIC ACT NO. 11285, April 12, 2019]

AN ACT INSTITUTIONALIZING ENERGY EFFICIENCY AND CONSERVATION, ENHANCING THE EFFICIENT USE OF ENERGY AND GRANTING INCENTIVES TO ENERGY EFFICIENCY AND CONSERVATION PROJECTS

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".

SEC. 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 to local markets and protect the environment in support of the economic and social development goals of the country;

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

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

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

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

SEC. 4. *Definition of Terms.* - For the purposes of this Act, the following terms shall have the meanings below unless indicated otherwise:

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

(b) *Certified Energy Manager (CEM)* refers to a licensed engineer who obtains a certification as a CEM after demonstrating high levels of experience, competence, proficiency, and ethical fitness in the energy management profession, and who shall be chosen by Type 2 designated establishments to plan, lead, manage, coordinate, monitor, and evaluate the implementation of sustainable energy management within then-organizations;

(c) *Designated establishment* refers to a private or public entity in the commercial, industrial, transport, power, agriculture, public works, and other sectors identified by the Department of Energy (DOE) as energy intensive industries based on their annual energy consumption in the previous year or an equivalent annual index; the amount of consumption is indicated in this Act and subject to adjustment by the DOE as it deems necessary;

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

(e) *Department of Energy (DOE)* refers to the agency created through Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", and whose functions were expanded by Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001";

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

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

(h) *Energy auditor* refers to individuals or entities certified by the DOE who have proven credibility and competence to conduct an energy audit: *Provided,* That the guidelines in the certification of energy auditors shall he developed by the DOE upon consultation with stakeholders;

(i) *Energy conservation* refers to the reduction of losses and wastage in various energy stages from energy production to energy consumption through the adoption

of appropriate measures that are technologically feasible, economically sound, environmentally-friendly, and socially affordable;

(j) *Energy Consumption and Conservation Report (BCCR)* refers to the periodic report submitted to the DOE by Type 1 and Type 2 designated establishments, distribution utilities, and the transmission utility with regard to the National Energy Efficiency and Conservation Plan containing, among others, energy consumption, energy loss, and status of energy use: *Provided,* That the comprehensive contents of the report shall be specified by the DOE;

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

(l) *Energy Efficiency and Conservation Office (EECO)* refers to the office to be established in each LGU mandated to oversee and monitor the implementation of their respective Local Energy Efficiency and Conservation Plan (LEECP), which may be part of the planning and development office;

(m) *Energy Efficiency and Conservation Officer (EEC Officer)* refers to the head of the EECO responsible for overseeing the implementation of the LEECP at the local government level, who may be designated from the existing personnel of the LGU;

(n) *Energy efficiency projects* refer to projects designed to reduce energy consumption and costs by any improvement, repair, alteration, or betterment of any building or facility, or any equipment, fixture, or furnishing to be added to or used in any building, facility, or vehicle including the manufacturing and provision of services related thereto: *Provided,* That such projects shall be cost-effective and shall lead to lower energy or utility costs during operation and maintenance;

(o) *Energy end user* refers to all individuals and entities which consume energy to include households, industrial and commercial customers, power plants, distribution utilities, and transmission utilities;

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

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

(r) *Energy Service Company (ESCO)* refers to a juridical entity that offers multi-technology services and goods towards developing and designing energy efficiency projects, delivering and guaranteeing energy savings, and ensuring cost-effective and optimal performance. Their services include energy supply and management, energy financing, technical engineering expertise and consultancy, equipment supply, installation, operation, maintenance and upgrade, and monitoring and verification of performance and savings. Their goods include lighting, motors, drives, heating, ventilation, ah- conditioning systems, building envelope improvements, and

waste heat recovery, cooling, heating, or other usable forms of energy control systems:

(s) *Government energy efficiency projects* refer to energy efficiency projects carried out by all government departments, government-owned and -controlled corporations (GOCCs), state universities and colleges, hospitals, and other instrumentalities of the government which have been evaluated and endorsed by the DOE for approval of the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC) created under this Act;

(t) *Government Energy Management Program (GEMP)* refers to the government-wide program to reduce the government's monthly consumption of electricity and petroleum products through electricity efficiency and conservation, and efficiency and conservation in fuel use of government vehicles, among others;

(u) *Local Energy Efficiency and Conservation Plan (LEECP)* refers to a collaborative and multi-stakeholder comprehensive framework, governance structure, and programs prepared by the LGU for local energy efficiency and conservation with defined targets, feasible strategies, and regular monitoring and evaluation: *Provided,* That it shall be aligned with this Act and the NEECP.

(v) *Local government units (LGUs)* refer to the government units created through Republic Act No. 7160, otherwise known as the "Local Government Code of 1991";

(w) *Minimum Energy Performance (MEP)* refers to a performance standard which prescribes a minimum level of energy performance for the commercial, industrial, and transport sectors, and energy-consuming products including appliances, lighting, electrical equipment, machinery, and transport vehicles that must be met or exceeded before they can be offered for sale or used for residential, commercial, transport, and industrial purposes;

(x) *National Energy Efficiency and Conservation Coordinating Officer (NEECCO)* refers to the person appointed by the Department of the Interior and Local Government (DILG) upon the recommendation of the league of LGUs from among all the EEC Officers of different local governments, who shall be responsible for integrating all the LEECPs;

(y) *National Energy Efficiency and Conservation Database (NEECD)* refers to a centralized, comprehensive, and unified database on national energy consumption, the application and use of energy efficient and renewable energy technologies, and other critical and relevant information to be used for evaluation, analysis, and dissemination of data and information related to energy efficiency and conservation;

(z) *National Energy Efficiency and Conservation Plan (NEECP)* refers to the national comprehensive framework, governance structure, and programs for energy efficiency and conservation with defined national targets, feasible strategies, and regular monitoring and evaluation: *Provided,* That it shall be aligned with this Act and shall be a result of a collaborative and multi-stakeholder consultative process: *Provided, further,* That it shall be regularly reviewed and revised as determined by the DOE:

(aa) *Philippine Qualifications Framework (PQF)* refers to a national policy describing the levels of educational qualifications and sets of standards for qualification outcomes. It is a quality assured national system for the development, recognition, and award of qualifications based on the standards of knowledge, skills, and values acquired in different ways and methods by learners and workers. It is an assessment-based qualification recognition which is competency-based and labor market driven;

(bb) *Transport vehicle* refers to land, air, or sea vehicles conveying cargo or passengers, regardless of size or weight classification:

(cc) *Specific energy consumption* refers to the energy consumption volume required per unit, such as production volume, sales amount, transportation kilometer, transportation tonne-kilometer, floor space, and such other indicators relevant to energy consumption; and

(dd) *Transmission utility* refers to any private corporation or government-owned utility which has an exclusive franchise to operate the system of wires for the conveyance of electricity through a high voltage backbone line.

CHAPTER II

ROLES AND RESPONSIBILITIES OF AGENCIES

SEC. 5. *Implementing Agency.* - The DOE shall be the lead agency in the implementation 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:

(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 with the assistance of 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 IAEECC;

(e) Develop, impose, and review the MEP in consultation with the Department of Trade and Industry - Bureau of Philippine Standards, and pursuant to Chapter V, Section 14 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