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# Burdens, Benefits & Opportunities

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Salient provisions of  
**Republic Act No. 11285**  
Energy Efficiency and Conservation Act

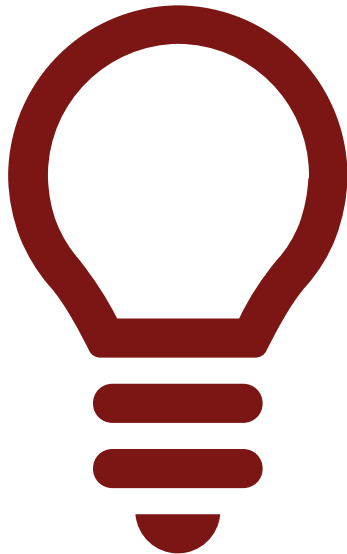


What is it about?

*The law requires and incentivizes the use of energy efficient systems and promotes the use of renewable energy technologies.*

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.

## What this means to OSL clients:



 **burdens**

 **benefits**

 **opportunities**

## burdens: regulatory requirements

### DoE will:

- Develop, impose, and review the MEP in consultation with the DTI-BPS;
- 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;
- Enforce and ensure compliance with prescribed ratings standards for energy performance in buildings and industries in coordination with pertinent government agencies and LGUs.

## What is the MEP?

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Minimum Energy Performance (MEP) refers to performance standard which prescribes a minimum level of energy performance for the commercial, industrial and transportation 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;

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## burdens: regulatory requirements

### DPWH will:

- be responsible for ensuring the implementation of the Guidelines on Energy Conserving Design of Buildings and Utility Systems as an integral part of the National Building Code, Roadway Lighting Guidelines, and such other related guidelines as may be issued by the DoE, and in accordance with Republic Act No. 6541, otherwise known as the National Building Code of the Philippines and other related laws.

## Guidelines on Energy Conserving Design on Buildings

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LGUs must consider the Guidelines on Energy Conserving Design on Buildings when issuing building permits and in approving retrofitting of buildings.

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## burdens: regulatory requirements

### DTI will:

- require manufacturers, importers, and dealers to comply with the MEP, and to display the energy label and the energy efficiency label showing the energy requirement and consumption efficiency of such products on the packaging and on the products themselves.

## Energy Label

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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;

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## burdens: regulatory requirements

### DoTr will:

- be responsible for ensuring compliance of vehicle owners, manufacturers, and importers with the MEP for transport vehicles consistent with the specifications for all types of fuels prescribed under the Philippine Clean Air Act of 1999, and to display the energy consumption label in coordination with the vehicle manufacturers, transport industry associations, public transport groups, and nongovernment organizations;
- assist the DoE in the enforcement of and compliance with measures under the Energy Efficiency and Conservation Act.

## Transport Vehicle

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Refers to land, air, or sea vehicles conveying cargo or passengers, regardless of size or weight classification;

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## Designated Establishment

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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;

TYPE 1: between 500,000 kilowatt-hours (kWh) to 4,000,000 kWh for the previous year;

TYPE 2: more than 4,000,000 kWh for the previous year

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## burdens: businesses must be aware that:

- Vehicle manufacturers, importers, and dealers must comply with fuel economy performance labeling requirements;
- Vehicle manufacturers, importers, and dealers shall provide technical information on the fuel economy rating of the engine that will allow the consumers to make an informed decision in choosing the vehicles for their use;
- New building construction and retrofitting of existing buildings must comply with the minimum requirements as specified in the Guidelines on Energy Conserving Design on Buildings;
- Designated Establishments are required to report to the DoE and integrate an energy management system policy based on ISO 50001 or similar framework.



## CECO / CEM

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Certified Energy Conservation Officer (CECO) refers to a professional who obtains a certification as a CECO and who shall be responsible for the supervision and maintenance of the facilities of Type 1 designated establishments.

Certified Energy Manager (CEM) refers to a licensed engineer who obtains a certification as a CEM 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 their organizations;

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### **burdens: businesses must be aware that:**

- Designated Establishments are required to employ a CECO or a CEM;
- All manufacturers, importers, distributors, and retailers of energy-consuming products shall comply with the MEP, subject their energy-consuming products to energy performance testing, and submit their respective product information to the DoE;
- No manufacturer, importer, distributor, and retailer shall sell, lease, or import any energy-consuming product, unless the product complies with the MEP and the product or its package is labeled in accordance with the law;
- The DoE will regularly select energy-consuming products and their models for examination, testing, and verification;
- Vehicle manufacturers, importers, and dealers must comply with fuel economy performance labeling requirements.

## benefits: incentives for energy efficiency projects

- Fiscal Incentives - Upon certification by the DoE, energy efficiency 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 the Omnibus Investments Code of 1987, and any other applicable laws for ten (10) years from the effectivity of the law: After this period, the inclusion of energy efficiency projects in the annual investment priorities plan shall be reviewed and may be extended by the BOI;
- Nationality Restrictions under Omnibus Investments Code of 1987 not applicable.

## Energy Efficiency Projects

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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

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## opportunities: creates new industries / service offerings

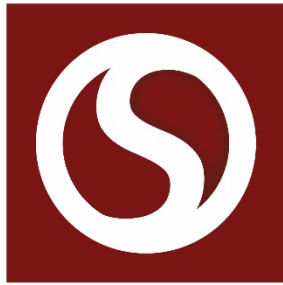
- energy efficiency consulting;
- energy efficiency audits;
- sale of energy-saving machines, systems, software;
- enhanced engineering, construction services to comply with the law
- training for certifications for energy conservation officers;
- new insurance products: to mitigate credit risks associated with energy efficiency investments.

## Implementing Rules and Codes

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The DoE shall promulgate the implementing rules and regulations (**IRR**) within six months from the effectivity of the law. It will also develop the codes and guidelines within six months from the promulgation of the law's IRR.

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## Questions?

**Disclaimer:** This presentation is not meant to substitute for direct advice of legal counsel. This presentation only provides selected provisions of the law and is not designed to be an exhaustive exposition of the law. The complete text of the law can be downloaded from:

*<https://www.officialgazette.gov.ph/downloads/2019/04apr/20190412-RA-11285-RRD.pdf>*