

Refresher on the Energy Efficiency and Conservation Act for Corporate Customers

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Department of Energy*



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REPUBLIC ACT 11285

ENERGY EFFICIENCY AND CONSERVATION ACT

Approved and signed by President Rodrigo Roa Duterte
on 12 April 2019 and effective on 22 May 2019

The EE&C Act institutionalizes energy efficiency and conservation, enhance the efficient use of energy, and grant incentives to energy efficiency and conservation projects.



ENERGY SERVICE COMPANY (ESCO)





Energy Service Companies or ESCOs

are partners in compliance with the EE&C Law, as they offer multi-technology services and goods towards developing and designing EE projects, delivering and guaranteeing energy savings, and ensuring cost-effective and optimal performance.

Department Circular No. 2020-09-0018

Guidelines, Rules, and Procedures in the Administration, Classification, and Certification of Energy Service Companies

Scope of Department Circular No. 2020-09-0018

The Department Circular shall establish the guidelines, rules and procedures in the administration, classification and certification for ESCOs with the goal of enhancing professionalism, credibility and quality of services.



- ◆ **Registered ESCO** – Seeks accreditation for professional services to DOE for the first time that meets the minimum of requirements on legal and technical capacity. The validity of the Certificate shall be for three (3) years.
- ◆ **Certified ESCO** - In addition to meeting the requirements of a Registered ESCO, shall also has proven performance or results-based projects savings experience and with proven customer experiences. The validity of the Certificate shall be valid for five (5) years.



ESCO

LIST OF ESCOs

(24 November 2020)

1. Energy Integrated Systems and Support Services, Inc.
2. Tri-Sky Link Sales and Services, Inc.
3. Santos Knight Frank, Inc.
4. Engie Services Philippines
5. Design Science, Inc.
6. Meralco Energy, Inc.
7. Tekno Centrix Corporation
8. Wisenergy, Inc.
9. Concepcion Carrier Air Conditioning Company - ALSTRA
10. Filairco, Inc - Trane Philippines
11. Beyond Energy Solutions & Techonology, Inc.
12. Total Renewable Energy Efficiency Solutions Corp.



ESCO

LIST OF ESCOs

(24 November 2020)

13. Edward Marcs Philippines, Inc
14. Azbil Philippines Corporation
15. Digital Marketing
16. Upgrade Energy Philippines, Inc.
17. PNOC-Renewables Corporation
18. HI-Cool Engineering Corporation
19. Econoserv Solutions International, Inc.
20. OSP-ESCO International, Inc.
21. Thermal Solutions, Inc
22. Orion Group International, Inc.
23. TREES Corporation
24. PNOC-Exploration Corporation



ESCO

LIST OF ESCOs

(24 November 2020)

25. Cushman and Wakefield Philippines, Inc.
26. Westco Electrical & Equipment Corporation
27. Cofely Philippines
28. Delta Dore, Inc.
29. Q-Trade Corporation
30. Ultimate Energy Systems Trading and Services, Inc
31. Sen Tek Energy Solutions, Inc.
32. Dazzling Lite Enterprises
33. Electro-Systems Industries Corporation
34. Philippine Integrated Energy Solutions, Inc
35. Design Science Incorporated - Powerboss
36. MVCP Biotechnology and Energy Resources



ESCO

LIST OF ESCOs

(24 November 2020)

- 37. Schneider Electric Philippines, Inc
- 38. Energy and Aviation Support Corporation
- 39. Philcarbon, Inc
- 40. Renaissance Pacific Energy Solutions Asia (REPESA)

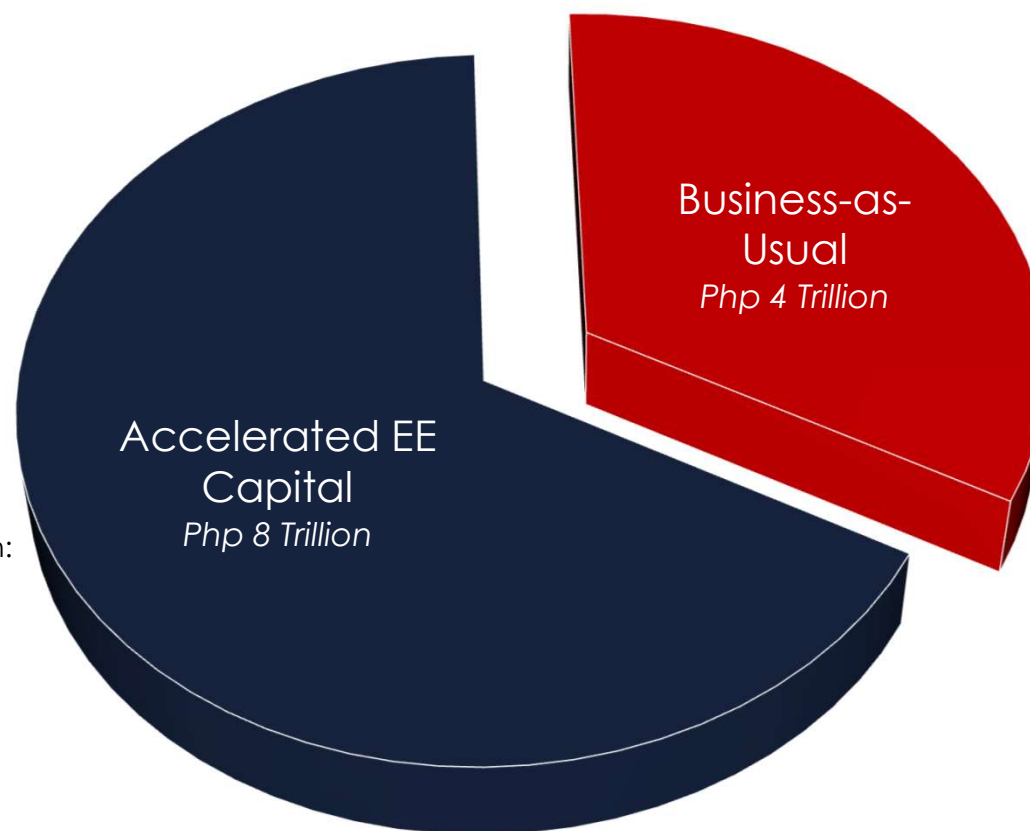


ESCO



ESCO

2017 – 2040 EE Capital Requirements for the Philippines



Accelerated EE Capital flows through:

- ESCO performance contracts
- PPP transactions
- JV agreements
- Government, large-scale retrofit programs
- Other innovative solutions*

Business-as-usual EE capital to be mobilized through:

- Self-financed
- Debt-financed
- Lease-financed
- Other in-house innovative* modalities

* Balance Sheet of host or end-user of EE Project
Data Source: Philippine Energy Efficiency Alliance, Inc.



PHILIPPINE ENERGY LABELLING PROGRAM



Philippine Energy Labelling Program



intends to encourage the practice of EE&C as a way of life through the promotion of the use of energy efficient products and to transform the market by regulating energy consuming products (ECPs).

Department Circular No. DC2020-06-0015

Prescribing the Guidelines of the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors and Dealers of Electrical Appliances and other Energy-Consuming Products (ECP)

Department Circular No. DC2020-06-0016

Prescribing the Minimum Energy Performance for Products (MEPP) covered by the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors, Dealers and Retailers of Energy-Consuming Products)



PELP

OBJECTIVES



- To empower consumers in choosing energy efficient products at the point of sale;
- To help realize energy savings and reduction of energy consumption/bills through the use of energy efficient products;
- To eliminate the entry and sale of inefficient and substandard products in the local market; and
- To reduce greenhouse gas emissions.

COVERAGE

PELP

Importers, manufacturers,
distributors, and dealers of
electrical appliances and
energy-consuming products

Initially covered
appliances include air
conditioning units,
refrigeration appliances,
televisions and lighting
products.



PELP



Designated Establishments





Designated Establishments

Refers to a private entity in the commercial, industrial, transport, power, and other sectors identified as energy intensive industries.

**Annual
Energy
Consumption***



Other DE

At least 100,000 kWh but less than 500,000 kWh



Type 1 DE

500,000 kWh but less than 4,000,000 kWh



Type 2 DE

4,000,000 kWh and above

Memorandum Circular No. MC2020-05-0001

Directing All Designated Establishments under Commercial, Industrial and Transport Sectors to Submit Energy Consumption Reports

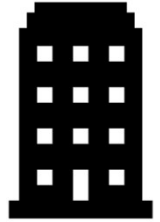
** Combination of Fuel and Electricity*



Designated
Establishments

REQUIREMENTS

OTHER DESIGNATED ESTABLISHMENTS



At least 100,000 kWh but less than 500,000 kWh



Submission of Annual Energy Efficiency and Conservation Report (EEC Form 3) and Annual Energy Utilization Report (EEC Form 4)



Designated
Establishments

REQUIREMENTS



Employ an Energy Conservation Officer (ECO).



ECO Qualifications. At least two (2) years of continuous hands-on experience in the installation, operation, and maintenance of energy-consuming machines and equipment in facilities with energy consumption for Type I Designated Establishments.



Submission of Annual Energy Efficiency and Conservation Report (EEC Form 3) and Annual Energy Utilization Report (EEC Form 4)

TYPE 1 DESIGNATED ESTABLISHMENTS



500,000 kWh but less than 4,000,000 kWh



Designated
Establishments

REQUIREMENTS



Employ an Energy Manager (EM).

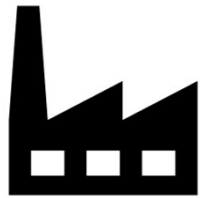


EM Qualifications. A graduate of a four (4) year course or its equivalent, preferably engineering with at least three (3) years of continuous hands-on experience in the installation, operation, and maintenance of energy-consuming machines and equipment in facilities with energy consumption for Type 2 Designated Establishments.



Submission of Annual Energy Efficiency and Conservation Report (EEC Form 3) and Annual Energy Utilization Report (EEC Form 4)

TYPE 2 DESIGNATED ESTABLISHMENTS



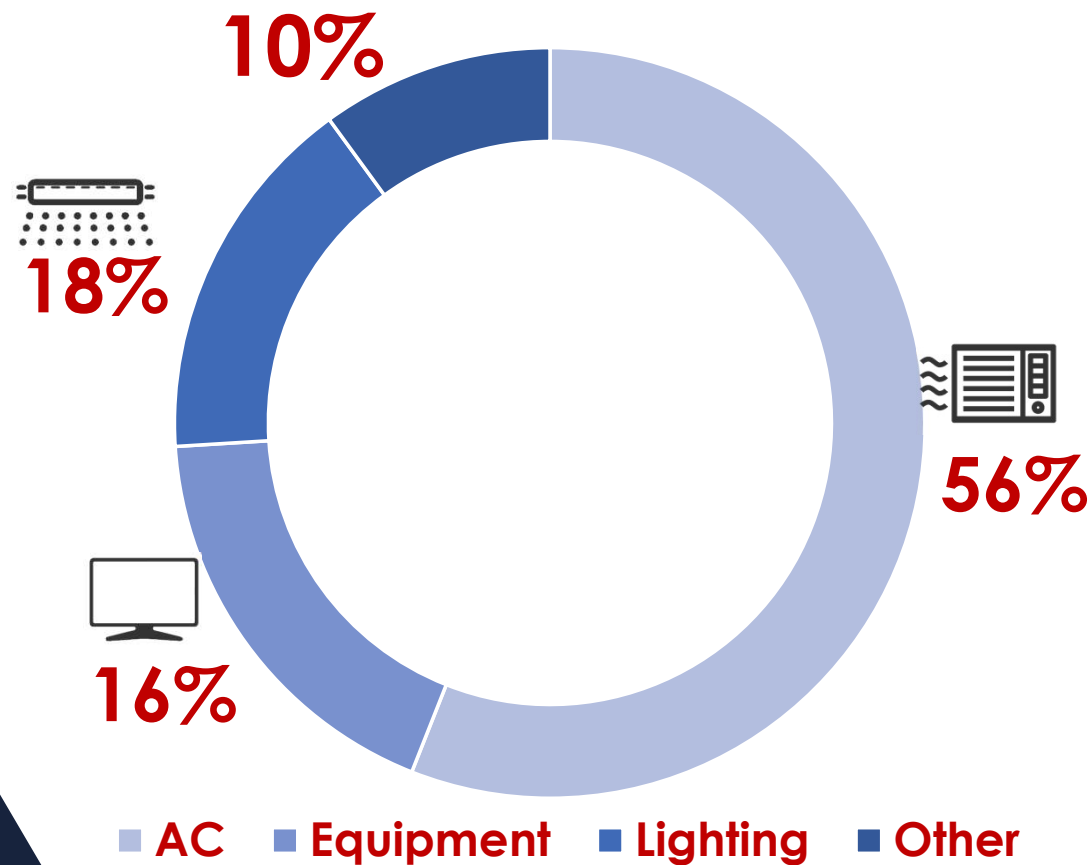
4,000,000 kWh and above



ENERGY CONSERVING DESIGN FOR BUILDINGS



Building Energy Consumption



Energy Conserving Design of Buildings

To encourage and promote the energy conserving design of buildings and their services to reduce the use of energy with due regard to the cost effectiveness, building function, and comfort, health, safety, and productivity of the occupants.



Electrical loads of at least **112.5 kVA** or with at least **10,000 m²** **total gross floor area**



Energy Efficient Buildings will boost the demand for energy efficient materials and technologies that will help to meet the requirements under the guidelines.



Guideline on Energy Conserving Design of Buildings

REQUIREMENTS

Section 1. Purpose

- Section 2. Definition of Terms

- Section 3. Application and Exceptions

- Section 4. Building Envelope Building Envelope

- Section 5. Air Conditioning and Ventilating Systems Mechanical Systems

- Section 6. Steam and Hot Water Systems

- Section 7. Lighting

- Section 8. Electric Motors

- Section 9. Electric Power and Distribution

Electrical Systems

Section 10. Renewable Energy Systems & Equipment



Fiscal Incentives



Endorsement of EE Projects to BOI for Fiscal Incentives

ENERGY EFFICIENCY PROJECTS - designed to reduce energy consumption or 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.

Project
Application

20 Days Processing Time

DOE
Endorsement
to BOI

EVALUATION CRITERIA. EE projects should meet 15% savings threshold measured at the boundary in order to access the following rates of Income Tax Holiday (ITH).

<u>Energy Savings at the Project Boundary</u>	<u>Rate of ITH</u>
15% to 20%	15%
More than 20% and up to 25%	75%
More than 25%	100%

All registered EEC projects shall be granted with Pioneer Incentives, if the said EEC Project or Enterprise is registered as a Pioneer Project or Enterprise in accordance with E.O. 226.



Predicted Increase in the Power Generation of the Philippines.

The economy's total power generation will increase by 4.2% during the outlook period. This translates to an increase from the 2010 level of 67.0 Tw to 187.0 TWh by 2035.¹

15% =

Energy savings in all sector

Predicted **Maximum Potential Savings** by year

17.26 TWh in 2021

28.05 TWh in 2035

At a rate of about at about **P10/kWh**, that would translate to **P172.6 Billion savings in 2021** to **P280.50 Billion savings by 2035.**

Source: ¹APEC Energy Demand and Supply Outlook – 5th Edition
https://aperc.or.jp/publications/reports/outlook/5th/volume2/EDSO5_V2_Philippines.pdf



Fiscal Incentives

Thank you



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