Refresher on the Energy Efficiency and Conservation Act for Corporate Customers

MERALCO POWER UP

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- Energy Service Companies
- Philippine Energy Labelling Program
- Designated Establishments
- Energy Conserving Design of Buildings
- Fiscal Incentives

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.

ESCO → REGISTERED ESCO → CERTIFIED ESCO

- **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

(as of 01 February 2021)

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. **(MSERV)**
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

(as of 01 February 2021)

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

(as of 01 February 2021)

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

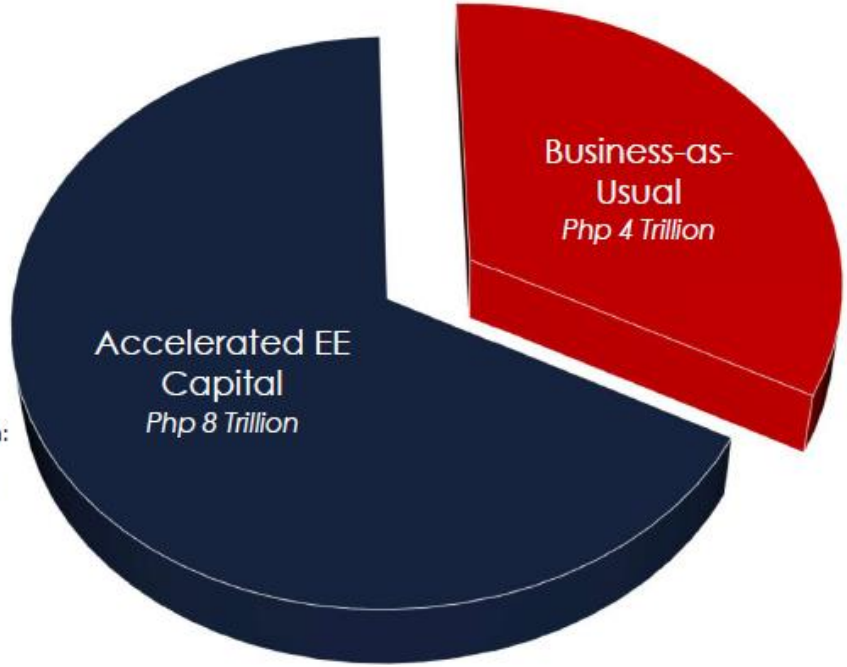
(as of 01 February 2021)

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



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

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

Accelerated EE Capital flows through:

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

* 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)

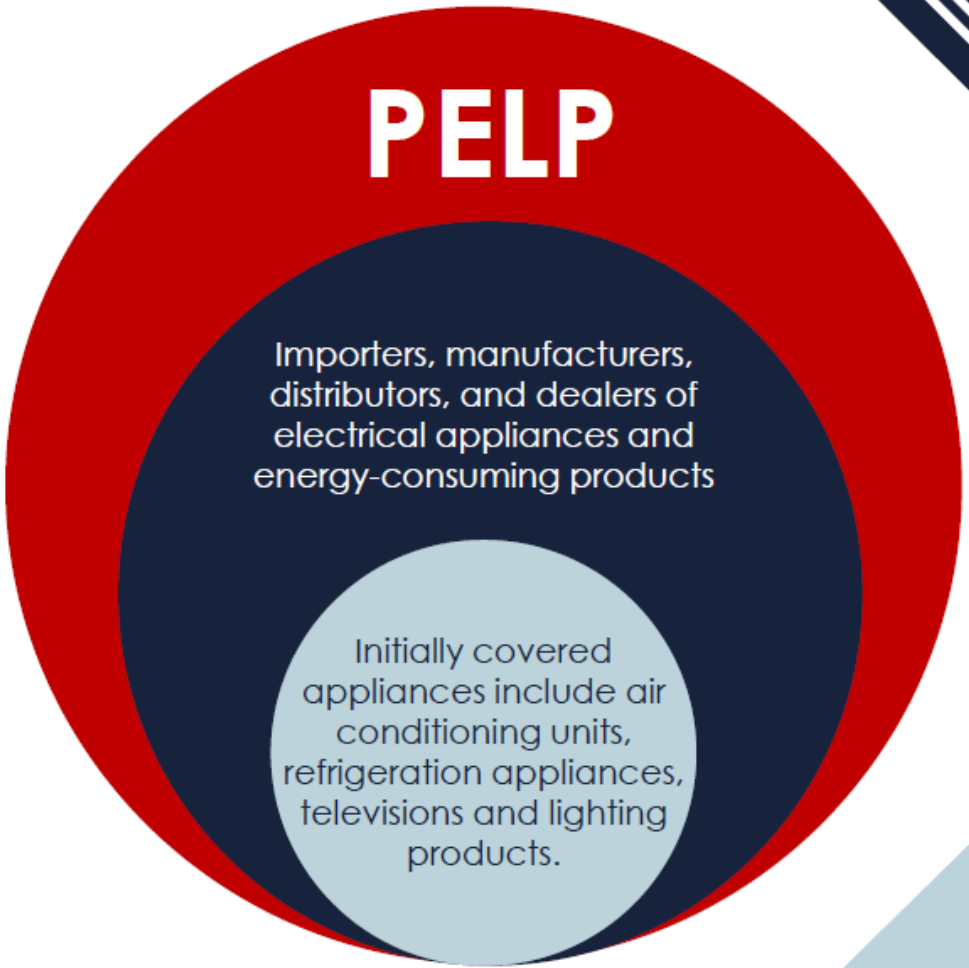
Department Circular No. DC2020-06-0016
Prescribing the Minimum Energy Performance for Products (MEPP) covered by the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors, Dealers and Retailers of Energy-Consuming Products)

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

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)

Link:
https://www.doe.gov.ph/laws-and-issuances/memorandum-circular-no-mc2020-05-0001?ckattempt=1

Designated Establishments

REQUIREMENTS

TYPE 1 DESIGNATED ESTABLISHMENTS

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

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)

Link:
https://bit.ly/DOE-Designated-Establishments

Designated Establishments

REQUIREMENTS

TYPE 2 DESIGNATED ESTABLISHMENTS

4,000,000 kWh and above

Employ an **Energy Manager (EM).**

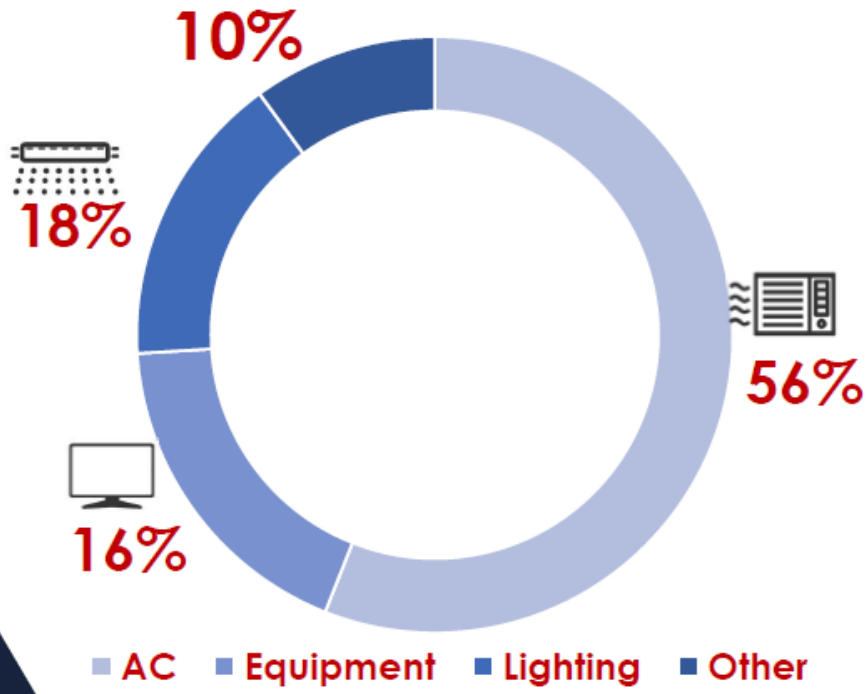
EM Qualifications. A graduate of a four (4) year course or its equivalent, preferably engineering with at least three (3) years of continuous hands-on experience in the installation, operation, and maintenance of energy-consuming machines and equipment in facilities with energy consumption for Type 2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

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

https://bit.ly/DOE-Designated-Establishments

ENERGY CONSERVING DESIGN FOR BUILDINGS

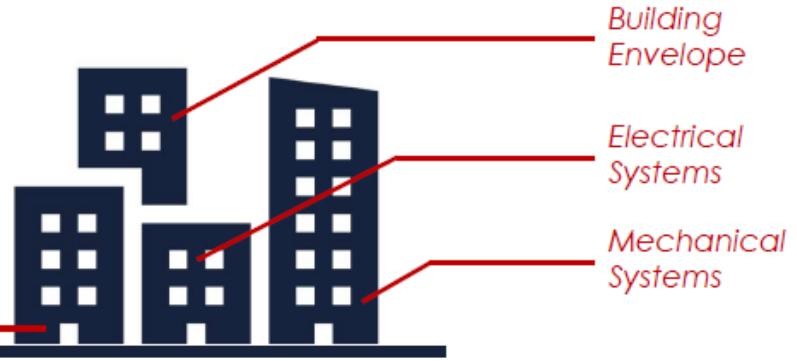
Building Energy Consumption



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 — Mechanical Systems
- Section 7. Lighting — Electrical Systems
- Section 8. Electric Motors — Electrical Systems
- Section 9. Electric Power and Distribution — Electrical Systems
- Section 10. Renewable Energy Systems & Equipment — Electrical Systems

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).*

Energy Savings at the Project Boundary	Rate of ITH
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.***

Fiscal Incentives

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

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